

DECEMBER, 1960  
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**THE** *Southwestern*  
**SOCIAL SCIENCE QUARTERLY**

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STANLEY A. ARBINGAST

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# THE Southwestern SOCIAL SCIENCE QUARTERLY

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# President's Message

STANLEY A. ARBINGAST  
THE UNIVERSITY OF TEXAS

**P**AID MEMBERSHIP in the Southwestern Social Science Association is at an all-time high! The number of persons who registered at our spring meeting last year in Dallas set a record! Our publication, *THE SOUTHWESTERN SOCIAL SCIENCE QUARTERLY*, is now regarded as a prestige outlet for publication!

These statements must be gratifying to those who have been loyal, conscientious, and hardworking members of the Association since the date of its inception. It is to be hoped that the program for the Dallas meeting this coming spring will attract an even larger attendance than last year. The program chairmen for the various divisions will soon call for papers from our membership, and members of the executive board join with me in urging your fullest cooperation in assisting the program chairman, Lorrin Kenamer of The University of Texas, and the various section chairmen to prepare a superb program. The Association's drive towards excellence will benefit from your interest and effort.

Please plan now to attend our annual meeting. The Statler-Hilton Hotel in Dallas, which will again be host to the spring convention, offers excellent facilities to our membership at reasonable rates. Last year it was especially gratifying to have a large number of graduate students and other interested persons from southwestern universities and colleges in attendance at the convention, and this year the Statler-Hilton has made a very attractive dormitory rate for several students in a room. Why not encourage your graduate students to attend and participate?

I am sure that George Walker, membership chairman, will be most appreciative if all members of the Association will urge their friends who are not now members of the organization to join. The executive board will also be grateful if you will encourage persons who have joined the teaching staff of your colleges and departments this fall to become members.

STANLEY A. ARBINGAST, *President*

# Democracy and Dictatorship in Latin America

J. LLOYD MECHAM  
THE UNIVERSITY OF TEXAS

LATIN AMERICA, where dictatorships used to flourish, is now the scene of intense anti-dictatorial agitation. In this agitation the United States is interestingly and rather unfortunately involved, for paradoxically this country, the great world champion of democratic ideology, is accused of preferring dictators to democratic regimes. The prevalence of this view of United States policy was evidenced when both Vice President Nixon and Dr. Milton Eisenhower, following their visits to Latin America in 1958, reported that the question most frequently asked them was why the United States gave aid and favor to the dictators.

The collapse, over the past ten years, of several little Caesars, culminating in the overthrow of Cuba's Batista by Fidel Castro, leaves dictatorship in Latin America the exception rather than the rule. The only remaining so-called antidemocratic regimes are found in the Dominican Republic, Nicaragua, and Paraguay. Are Trujillo, Somoza, and Stroessner the outmoded remnants of a permanently repudiated past? Whether the recent democratic surge in Latin America proves to be enduring, or whether it becomes merely another phase of the ebb and flow of traditional politics, only time will prove, but of one thing we are certain: it has revived grave questions concerning the individual and collective responsibilities of the American states in their relations with native dictatorial regimes. This was the paramount issue of the Consultative Meetings of the Foreign Ministers held in Santiago de Chile in August 1959, and in San José, Costa Rica in August 1960, and it will undoubtedly be the principal political problem of the pending Inter-American Conference to be held in Quito, Ecuador.

This is not the first time that the issue of democracy versus dictatorship in the Americas has been raised. It is an old story. Indeed, not many years ago the United States itself endorsed proposals calling for collective intervention in support of democratic freedoms, but these proposals were fore-

NOTE.—This article contains excerpts from a forthcoming volume entitled *The Inter-American Security System: A Regional Arrangement under the United Nations*, to be published by The University of Texas Press.

ordained to rejection by the Latin American community which jealously guards the principle of nonintervention.

Are contemporary demands, voiced by Latin American liberals, for common action against the remaining dictators indicative of a modified position on the sacrosanct subject of nonintervention? If so, should not the United States welcome this opportunity to implement by cooperative measures the various inter-American pledges in support of democratic principles? That there is no easy answer to this question is emphasized by an examination of earlier efforts to solve the same problem.

*The Guani Doctrine.* Nonrecognition has long been used in inter-American relations as an interventionist instrument to coerce the policies of independent governments. President Wilson inaugurated the policy of "*de jure* recognition," hoping thereby to discourage the *coup d'état* and other forcible and unconstitutional seizures of governments. Nonrecognition was directed not so much at undemocratic governments per se, as at the illegal seizure of power. The policy failed and was eventually abandoned.

It was during World War II that the Emergency Advisory Committee for Political Defense, on December 24, 1943, following a pro-Nazi-inspired revolution in Bolivia, adopted a resolution which recommended to the American governments, that, for the duration of the war, they should not recognize any new government established by force without first exchanging information and consulting among themselves to determine the circumstances surrounding the revolution, and to discover whether the new government adhered to the inter-American undertakings for the defense of the continent.

With the exception of Argentina, which recognized the Bolivian revolutionary regime, virtually all of the American republics expressed approval of the recommendation, called the "Guani Doctrine" after the Committee's dynamic chairman, Alberto Guani of Uruguay.

After full exchange of information revealed a connection between the Bolivian Junta and Nazi and pro-Nazi elements elsewhere, the United States and the eighteen American republics announced, on January 28, 1944, their intention to withhold recognition. It would not be in the interest of the security of the hemisphere and the success of the Allied cause, they declared, to recognize the new regime. This was the criterion and the only criterion which they considered in passing upon the status of the Bolivian regime.

The Bolivian Junta, against which the Guani Doctrine was invoked, protested to the Political Defense Committee, charging that it had exceeded its authority. The pro-Nazi press of Buenos Aires likewise criticized the Committee and said that adherence to its recommendations would lead to abdi-

cation of sovereign prerogatives. The withholding of recognition from a *de facto* government, they declared, constituted intervention in the internal affairs of another country.

Following nonrecognition the provisional government of Bolivia carried out a number of affirmative acts in support of hemisphere security and the cause of the United Nations.<sup>1</sup> Also, changes within the regime itself appeared to go far toward reducing or eliminating the elements of danger which seemed apparent when the revolutionary junta was first established. Accordingly, early in May 1944, the American nations agreed to review the situation once more. Following exchange of information the states decided that the Bolivian regime should be recognized, and on June 23 all of the Latin American governments, except Argentina, announced with the United States the reestablishment of their relations with Bolivia.

The adoption of the Guani Doctrine was significant in that the American states agreed on collective nonrecognition of a new government created by revolution. This drastic departure from the sacred nonintervention policy was a war measure designed to enforce adherence to inter-American undertakings for the defense of the continent. Only incidentally did it represent collective action in support of democratic principles. Without the exigencies of war such a commitment for collective intervention would have been rejected out of hand. We turn next to a more clear-cut illustration of the issue under discussion.

*The Guatemala Project.* To the Mexico City Conference on the Problems of War and Peace (March 1945), a project was submitted by the Guatemala government to prevent the establishment of "antidemocratic regimes" in the Americas, as being dangerous to the solidarity, peace, and defense of the continent. It recommended that the American republics refrain from recognizing or maintaining relations with such regimes, particularly those "that may originate from a *coup d'état* against governments of a legally established democratic structure."<sup>2</sup> A revolutionary government in Guatemala, which only recently had overthrown the hated dictator Jorge Ubico, was responsible for this proposal to the Mexico City Conference. It is not uncommon that revolutionaries, following their own successful overthrow of a dictator, encourage and aid crusades against all dictators.

Clearly the Guatemalan proposal was designed to extend the Guani Doctrine, which terminated at the end of the war. It differed, however, in

<sup>1</sup> Emergency Advisory Committee for Political Defense, *Second Annual Report*, July 15, 1943–October 15, 1944 (Montevideo, 1944), pp. 77–105.

<sup>2</sup> Department of State, *Report of the Delegation of the United States of America to the Inter-American Conference on Problems of War and Peace, Mexico, February 21–March 8, 1945* (Washington, 1946), p. 335.

that it did not provide a system of collective nonrecognition, but merely stated that each government, in accordance with its own judgment, should decide whether it would recognize a new government. Thus, this involved no change of the existing practice other than requiring that the new government should be a democratic one. The Mexico City Conference referred the Guatemalan project to the Inter-American Juridical Committee.

The Juridical Committee, in reporting on October 27, 1946, stated that it could not recommend the proposal to the American governments because the phrase "antidemocratic regimes" was too vague, and because allowing individual states to decide what constituted a democratic or antidemocratic regime would place in jeopardy the principle of nonintervention. Moreover, the Committee objected to the withholding of recognition from governments originating in a *coup d'état*, for this would eliminate the substitution of governments by revolutionary action, and "might be unsuitable to the democratic future of America."<sup>3</sup>

The Juridical Committee was well advised in its opinion, for it realized how opposed were the Latin Americans to the acceptance of any procedure, however idealistic it might appear, which would serve as the entering wedge for the return of interventionism. However, the Bogotá Conference of 1948 manifested impatience because of the failure of the Juridical Committee to present a report on the recognition of *de facto* governments, and assigned to the Inter-American Council of Jurists the preparation of a project and a report to the Tenth Inter-American Conference. The Caracas Conference of 1954 took no action on the matter. Thus, there was no tangible consequence of the Guatemalan initiative.

*The Larreta Proposal.* Prior to the Juridical Committee's opinion on the Guatemalan project, there came from Uruguay a proposal for nothing less than multilateral intervention in support of democratic principles and human rights. On November 22, 1945, the Uruguayan Foreign Minister, Dr. Eduardo Rodríguez Larreta, in notes to the American republics, stated that the "parallelism between democracy and peace must constitute a strict rule of action in inter-American policy."<sup>4</sup> Peace is safe, he said, only where democratic principles of government prevail. The basic rights of man are part of these principles. Thus, in case of their violation in any American republic, the other members of the community should take collective multilateral action to restore democracy. In an attempt to harmonize his proposal

<sup>3</sup> Inter-American Juridical Committee, *Opinion of the Inter-American Juridical Committee on the Project Submitted by the Delegation of Guatemala to the Inter-American Conference on Problems of War and Peace, Mexico, 1945* (Pan American Union, Washington, D.C., 1946).

<sup>4</sup> "Inter-American Solidarity: Safeguarding the Democratic Ideal," Department of State Bulletin, Vol. XIII (November 25, 1945), pp. 864-866.

with nonintervention, Dr. Rodríguez declared that multilateral action, exercised with complete unselfishness by all the other republics of the continent, and aimed at the mere reestablishment of essential rights, would not injure the government affected but would be for the benefit of all. "Nonintervention cannot be converted," he said, "into a right to invoke one principle in order to be able to violate all other principles with impunity."

United States endorsement of the proposal was quick and unqualified. On November 27, 1945, Secretary of State James F. Byrnes announced:

Violations of the elementary rights of man by a government of force and the nonfulfillment of obligations by such a government is a matter of common concern to all the republics. As such, it justifies collective multilateral action after full consultation among the republics in accordance with established procedures.

Mr. Byrnes felt, as did the Uruguayan Foreign Minister, that the principle of nonintervention should not shield the notorious violation of the elementary rights of man.<sup>5</sup>

Although both Guatemala and Venezuela, in the full flush of enthusiasm born of recent liberation from dictatorships, applauded the Uruguayan initiative, the general Latin American reaction could have been foretold: it was emphatic opposition to any compromise of the nonintervention principle. In addition to the United States only five countries approved.<sup>6</sup> If the flouting of human rights by oppressive regimes was bad, intervention, whether unilateral or multilateral, was worse.

A brief discussion of the positions taken by Uruguay and the United States is in order. The little South American state, far in the lead of its Latin American brethren in the purity of its democratic institutions, feared the ominous trend of developments within the borders of its great neighbor, Argentina, where the outlines of a fascist government were taking shape. Weak, unmilitarized Uruguay, concerned for her safety, sought the protection of a strong security system. Conscious of her record in democratic achievement, Uruguay could rely on almost certain immunity against any such collective action against herself. Thus, she risked nothing by promoting the principle of multilateral intervention against oppressive regimes. The Argentine government, evidently acknowledging that the shoe fitted,

<sup>5</sup> "U. S. Adherence to Principle Opposing Oppressive Regimes among American Republics," Department of State *Bulletin*, XIII (December 2, 1945), p. 892; Eduardo Rodríguez Larreta, "El derecho a la intervención colectiva," *Combate*, Vol. II (July and August 1939), pp. 23-27.

<sup>6</sup> The State Department survey of Latin American replies to the Uruguay intervention proposal, revealed Uruguay, United States, Panama, Guatemala, Costa Rica, and Nicaragua as favoring. Five qualified their objections, and the seven remaining were definitely opposed. *New York Times*, January 17, 1946.



denounced Foreign Minister Rodríguez Larreta as a "puppet of the United States who stabbed Argentina in the back."<sup>7</sup>

The United States, on its part, was certainly incautious in giving such unreserved endorsement of a procedure which might compromise the non-intervention principle. Unfortunately many *Latinos* were convinced that this country was seeking opportunity to escape the pledge which had come to be regarded as the keystone of the Pan American arch. It is surprising that the State Department subscribed to the belief that democratic regimes could be instituted by multilateral intervention, and even more surprising that the State Department was so naive as to believe that the Latin Americans would accept multilateral intervention for any reason.

*The Braden Policy.* Despite the *Latinos'* emphatic rejection of the Larreta proposal, the United States government did not abandon support of a positive prodemocratic policy for the Americas. The mouthing of words extolling the virtues of democracy was not enough. At the least, toward dictatorships and disreputable governments the United States should maintain aloof formality—no marine landings, no White House visits, no favors, no decorations, no loans, no military equipment. This was the Braden policy for promoting democracy in Latin America.

Assistant Secretary Spruille Braden held, quite correctly, that United States influence, exerted or withheld, would continue to make and unmake hemisphere governments. Thus, he warned against intervention by inaction. He declared that the United States must distinguish between "legitimate" governments and those usurping powers from the people.<sup>8</sup> Secretary of States Byrnes supported the Braden idea—therefore his unqualified approval of the Larreta proposal. President Truman himself at the Rio Conference, on September 2, 1947, said, "The attainment of world-wide respect for essential human rights is synonymous with the attainment of world peace."<sup>9</sup> Señor Rodríguez Larreta could not have put it better.

General Latin American disapproval was one of the reasons responsible for the reversal of Braden's antidictatorship policy in Argentina. There the United States was forced to forego a positive policy in support of democracy and human rights, because, whether sincerely or not, many Latins charged that the United States opposition to Perón was inconsistent with its toleration of other Latin American dictatorships. Actually, although it was true that the kind of attack waged on Perón was withheld from Somoza and Trujillo, consideration had to be given to the fact that the other dictators had been loyal in their observance of inter-American commitments.

<sup>7</sup> *New York Herald Tribune*, April 28, 1946.

<sup>8</sup> *The Christian Science Monitor*, Feb. 14, 1946.

<sup>9</sup> Department of State *Bulletin*, Vol. XVII (Sep. 14, 1947), p. 499.



*The Problem of a Prodemocratic Policy.* Since Latin America registered an emphatic veto on proposals to employ more forcible collective intervention in support of democratic principles, the United States turned once more to nonrecognition as an alternative instrument. When in May 1947, Anastacio Somoza seized the Nicaraguan government by armed revolt and imprisoned President Arguello, his hand-picked successor who refused to be a rubber stamp, an occasion presented itself for the use of nonrecognition as an instrument in support of democratic procedures. Arguello had been ousted on the pretext that he plotted Somoza's "humiliation," that is, his removal as chief of the National Guard. The Nicaraguan Congress designated Benjamin Sacasa as Provisional President, and he thereupon appointed Somoza as his Minister of War.<sup>10</sup>

The Somoza coup was studied by the various American governments to determine whether the Chapultepec Act could be invoked against the resurgent dictator. Somoza expressed confidence that the change of government would be recognized "because all that occurred was within the letter of national laws." However, the dictator proved to be overconfident, for the consultations resulted in a decision to abstain from relations with Nicaragua until after the elections, at which time the matter would be taken up for further review. In supporting nonrecognition the Chilean government declared that the coup violated the democratic principles formulated in the Chapultepec Act and the United Nations Charter. Guatemala also based her refusal to recognize on the "Chapultepec Conference doctrine concerning the preservation of democracy."<sup>11</sup> Needless to say, President Somoza was eventually recognized following a pseudo election in Nicaragua. Certainly the democratic cause was not aided by this brief withholding of recognition.

It was now clear that there was no general disposition to favor use of recognition as an instrument of policy. For example, a negative vote resulted from the consultation solicited by the State Department, following the seizure of the Venezuelan government by the military on November 25, 1948. Consequently the United States recognized the military junta on January 21, 1949. The same attitude prevailed in connection with a *coup d'état* that occurred in Panama in November 1949. Following the coup, Assistant Secretary of State Miller announced that the United States would consult with the other American republics. Since some of the Latin American governments had expressed the belief that a resolution recently adopted at the Bogotá Conference bound them to recognize new governments automatically, Secretary of State Acheson formally announced a statement of policy on the matter:

<sup>10</sup> *New York Times*, May 27, 1947.

<sup>11</sup> *La Prensa* (New York), May 30, 1947; June 9-10, 1947.

When a freely elected government is overthrown and a new and perhaps militaristic government takes over, we do not need to recognize the new government automatically and immediately. We can wait and see if it really controls its territory and intends to live up to its international commitments. We can consult with other governments as we have so often done.<sup>12</sup>

The exchange of views resulted in a consensus favoring recognition of the usurper Arias' government in Panama. On December 24 the United States granted recognition. Although there seemed to be a trend to consultation on the subject of recognition, there definitely was no trend in support of nonrecognition as an instrument in defense of democratic practices and principles. In fact, the State Department acknowledged that an important consideration in the government's approval of the Bogotá resolution was the view that nonrecognition was not a suitable approach to the problem.<sup>13</sup>

Nevertheless the State Department persisted in its efforts to enlist the collective support of the other American republics in strengthening the democratic and constitutional framework of the governments of this continent. On December 21, 1948, the Department made known to a number of the American republics its concern because of recent instances of overthrow of popularly elected governments by military forces. It solicited comments on appropriate action that the inter-American organization might take in view of the principle proclaimed in the Charter of the Organization of American States that "the solidarity of the American States and the high aims which are sought through it requires the political organization of those states on the basis of the effective exercise of representative democracy."<sup>14</sup>

Since it was hardly conceivable that any effective inter-American program to discourage dictatorship in Latin America was possible without the employment of some form of collective intervention, it is not surprising that the response to the State Department's note was unenthusiastic and devoid of constructive suggestions. A fair inference drawn by the Department from this and other failures to mobilize some kind of cooperative action against nondemocratic regimes was that in the opinion of the *Latinos* the evils of dictatorship did not counterbalance the dangers inherent in compromising the nonintervention principle.

Accordingly, the United States, preoccupied with the cold war, and supercautious not to violate the nonintervention principle, abandoned further efforts, with one exception,<sup>15</sup> to initiate collective sanctions against the

<sup>12</sup> Department of State *Bulletin*, Vol. XXI (Dec. 12, 1949), pp. 910-911.

<sup>13</sup> *Ibid.*, Vol. XX (January 2, 1949), p. 30.

<sup>14</sup> *Ibid.*

<sup>15</sup> Because of the efforts of Secretary Dulles, and despite considerable Latin American opposition, the Caracas Conference of 1954 adopted a resolution condemning International

dictators. Not only was there a resumption of normal official and business accommodations with those regimes, but there were instances when it appeared that our government was lending support to the dictators. That was bad, but to award them medals of honor, as we did to Venezuela's Pérez Jiménez in 1954, was unforgivable. As a result of indiscretions such as this the United States finds itself today in an unfortunate position, for many of the dictators with whom we were once in cordial relations were overthrown by popular revolts. The new regimes now feel that they owe no thanks to the United States, but on the contrary blame us for the crimes of the dictators.

In view of the widespread contemporary criticism of the United States as the befrienders of dictators, it is well to recall—merely to keep the record straight—the instances herein cited in which the Latins themselves turned thumbs down on proposals by this country to curb antidemocratic regimes. Are Figueres, Betancourt, and other Latin American liberals, who today support collective measures against Trujillo, ignorant of the fact that the United States only a few years ago endorsed an equivalent policy? If they recall why the American proposals failed, perhaps they will not only be more charitable toward the United States but more realistic concerning the subject of intervention in support of democratic principles.

In presenting these instances of United States efforts to curb dictatorship in Latin America, it has not been the writer's intention to uphold these proposals as effective and desirable. In fact it should be clear beyond any question that collective measures against Latin American dictatorships, simply because of their nondemocratic characteristics, would be both ineffectual and dangerous: ineffectual because democracy must be an internal development and cannot be imposed from the outside, and dangerous because of the patent abuses that would arise from the sanction of so-called "legitimate" intervention.

According to the Inter-American Juridical Committee, "it is very much to be feared that corrective intervention by one or another agency would be completely illusory, and that frequent repetition of it would lead to the suppression of independence to save freedom." Moreover, it is the opinion of the Juridical Committee that "in the provisions of the Bogotá Charter there is no place for collective action in defense of or for the restoration of democracy under that heading alone."<sup>16</sup>

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Communism and declaring that any attempt to extend its domination or control to this hemisphere would call for a meeting of consultation to consider the adoption of appropriate action. This action could well be collective intervention in a state under Communist control.

<sup>16</sup> Inter-American Juridical Committee, *Study on the Juridical Relationship between*

In view of the foregoing it must be noted here that the condemnation of Trujillo by the San José meeting of foreign ministers did not represent a revindication of the Larreta Doctrine. Diplomatic and partial economic sanctions against a dictatorial regime were approved by the OAS, not because of the denial of democratic freedoms to Dominicans, but because of Trujillo's deep, indisputable involvement in several international conspiracies against Venezuela, culminating in an attempt on the life of President Betancourt.

In essence the hemispheric governments now have apparently decided to be noninterventionist only toward those members who themselves practice nonintervention. The principle of nonintervention will continue to shield dictators who confine their tyranny to their own subjects.

*Respect for Human Rights and the Exercise of Democracy* (Pan American Union, Washington, D.C., May, 1960), pp. 12-13.

### *Graduate Program in Latin American Studies*

A Graduate Program in Latin American Studies has been instituted at Louisiana State University. The Program offers the Master of Arts Degree with a thesis or a non-thesis option with the following areas of concentration: Anthropology, Finance-Economics, Geography, Government, History, Sociology, and Latin American Literature. The Program is intended to

1) prepare the student for a non-academic career in government, business, or foreign service and 2) to equip the student to continue his graduate work in his chosen area of concentration. Inquiries should be addressed to Graduate Program in Latin American Studies, 150 Himes Hall, Louisiana State University, Baton Rouge 3, Louisiana.

### *Cornell Edits Chinese Texts*

Cornell University has received a grant of \$44,350 from the United States Office of Education to prepare a handbook of literary Chinese and a social science reader. The books have been classified as "urgently needed" by a committee of Chinese language scholars and their development is being sponsored under pro-

visions of the National Defense Education Act.

The handbook, designed to bridge the gap between spoken and classical Chinese, is being compiled by Harold Shadick. Harriet C. Mills is preparing the social science reader.

# Mexico's Economic Growth: Success of Diversified Development

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MEXICO IN RECENT TIMES has provided an outstanding example of rapid, internally generated growth in an "underdeveloped" economy. This expansion has been broad in scope and has included almost every significant sector of the Mexican economic complex. Whatever definition may be given to the concept of "balanced growth," Mexico has clearly approached "balance" in her movement toward higher levels of productivity throughout virtually the entire spectrum of gainful activities.

The discussion of Mexican growth presented here is limited in several respects, but it does purport to shed some new light on the rapid expansion of what surely is one of the most important and least analyzed nations in the Western Hemisphere. In order to present a unified picture within reasonable space limitations, little coverage of developments prior to 1939, except in the form of a general historical summary, is given. Reliance throughout has been placed mainly on aggregate measures of growth with but limited attention to changes within major sectors of the Mexican economy and no treatment of the nature and distribution of the gains from growth. Likewise only hinted at are the reasons for Mexico's success in boosting her output. In the main, the purpose here is to present an analytic description rather than a full analysis of recent Mexican economic progress. The data which have been employed are not the only ones available and are scarcely beyond question with respect either to their accuracy or to their representativeness of growth in Mexico. They do, however, seem to present a coherent and consistent picture of Mexican development.

Historically, Mexico has been a very poor nation even for Latin America where incomes are generally quite low. While she is a comparatively large country with a fair resource endowment, these resources are difficult to develop without the assistance of modern productive techniques and large-scale investment in capital goods. Until very recent times, the country was heavily rural and agrarian, and a large part of her territory was almost totally inaccessible by any kind of modern transportation or communication

medium. The Mexican people was largely illiterate, undernourished, plagued with disease, and poverty-stricken as well as isolated; and to speak of the "Mexican economy" was possible only in the vaguest sense. No integrated economy could reasonably be held to exist outside the major cities and their surrounding territories, a few mining centers, and the limited portions of the remainder of the nation which were served by rail or road transport. One of Mexico's greatest problems has been that of tying together the scattered members of her territory and population into a cohesive Mexican nation and a co-ordinated Mexican economy. Though great progress has been made in these directions during the past twenty-five years, the task is by no means completed.

The more accessible portions of Mexico enjoyed a period of rapid development and relative prosperity under the long rule of the dictator Porfirio Díaz (1876-1911). Díaz exercised substantially absolute control, and from the standpoint of the growth of the Mexican economic system seems to have represented a considerable improvement over the turmoil which had prevailed almost continuously since the successful revolt against Spain. Díaz was friendly to foreign capital, and much investment, especially in mining, other extractive industries, and public utilities, was accomplished with funds from abroad, often with ownership or control of the enterprises remaining in foreign hands. The Mexican Government also undertook during these years large-scale public works on its own initiative.

Overthrow of the Díaz regime in 1911 by idealistic and liberal elements marked the beginning of a long and painful period of civil strife during which the political and the economic stability of Mexico were destroyed. The previously suppressed rage and frustration of the poverty-ridden and exploited masses of the Mexican people were given full vent for years while leaders who lacked the necessary combination of skill, understanding, and sincere desire to restore order came and went in rapid succession. Not until the accession of Lázaro Cárdenas to the Presidency in 1934 was a secure stability finally restored.

The ideals of the Revolution which began with the ouster of Díaz have played a crucial role in the shaping of modern Mexico. In part, the Revolution was antiforeign, particularly anti-United States, a fact attributable in large measure to the extreme favoritism shown to foreign interests by Porfirio Díaz. In part, it was democratic, an expression of the intense desire of the masses for political status and a voice in governing themselves. In part, it was a revolt against the economic oligarchy, especially the landlords, which controlled the bulk of Mexico's wealth, and one of its results has been extensive land reform. The Revolution also embodied many of the aspirations of the urban working classes in other nations, being generally



prolabor and concerned with social legislation of all types. Fortunately, the restoration of economic and political stability in the 1930's left control of the government in the hands of an able individual, Cárdenas, and a single dominant political party, the Party of Revolutionary Institutions. These conditions, combined with the considerable ability of most of the subsequent Presidents, have created a political environment favorable to internal economic development. Although the government's commitment to economic growth has been virtually absolute, the government generally has acted with restraint and responsibility.

Mexico was disorganized in the 1920's, but comparative calm reigned after 1923-1924, and the nation enjoyed reasonable prosperity during the latter half of the decade. With the onset of the great depression Mexico, along with the other nations of the world, suffered. But in the years of deep depression Mexico's economic weaknesses proved to be, in a sense, sources of strength. The very lack of an urban, industrial economy, closely integrated within itself and with the rest of the world, caused the effect of the economic maelstrom which gripped other nations to be less extreme in Mexico. She had never enjoyed the fruits of developed commerce and industry, and hence she did not suffer so intensely when they turned sour. Moreover, a major export, petroleum, had been declining throughout the 1920's, and this mitigated the contrast between the twenties and the thirties in the nation's foreign trade. Capital from other countries had not sought outlets in Mexico on a large scale during the 1920's, and thus the general drying-up or reversal of the flow of capital during the depression did not affect her to the same extent as many other underdeveloped nations.

Data on the behavior of the Mexican economy prior to about 1939 are quite fragmentary, but a few of what seem to have been the general tendencies of certain sectors with respect to development are worth noting.<sup>1</sup> During the 1930's, mining, agriculture, and manufacturing industry appear to have behaved in a fashion which foreshadowed the later course of Mexican growth. Mining in recent Mexican experience has been a perennial laggard, and weakness in this sector, especially in the production of petroleum, contributed heavily to a poor performance of Mexican exports and to growing discontent, much of which was directed at foreign mining interests. In part, this failure to expand was due to the unfriendly attitude of Mexico toward foreign capital at large; in part it was due to the lack of sufficient expenditures on exploration and other investment during the depression (and even before); and in part it resulted from the fact that many

<sup>1</sup> For the period of the late 1920's and 1930's principal reliance was placed on data contained in: United Nations, Department of Economic Affairs, *Economic Survey of Latin America, 1949* (New York: United Nations, 1951), pp. 391 ff.



of Mexico's richest deposits of minerals had been depleted. The expropriation of almost all foreign oil interests in 1938 and the subsequent operation of the petroleum industry as a government monopoly likewise contributed to the low output of mineral products, for the government company, *Petróleos Mexicanos*, which assumed control of all oil interests, experienced great difficulties in its early years of operation.

The performance of agriculture and manufacturing industry, however, offered considerable promise for the future, and this promise in large measure has been fulfilled. According to the United Nations study cited above, the output of Mexican agriculture (valued at 1937 prices) for the three-year period centering on 1930, and the same comparison for the three-year period centering on 1940 was about 29 per cent above that for output of the nation's manufacturing industry shows an even larger gain of some 48 per cent.<sup>2</sup> It is highly significant that in Mexico *both* these sectors expanded rapidly, for it points to one of the strongest underpinnings of subsequent development. In recent decades, Mexico has always been close to the margin in so far as her ability to feed and clothe her population from her own produce is concerned, and in bad crop years she has sometimes fallen below this margin. Increases in agricultural productivity have been basic to the success which the nation has had in boosting total output per capita. Without improvement in agriculture, she could not have hoped to feed her skyrocketing population except through resort to imports. And she could not afford to import food continually without seriously lessening her ability to import capital goods, basic raw materials, and other things essential to development. In addition, agricultural exports have come in more recent times to be a mainstay of her foreign trade. Where some underdeveloped nations in Latin America have looked almost single-mindedly toward manufacturing industry as the source of their salvation, Mexico has seen the necessity of attention to agriculture as well.

This attitude, unfortunately, cannot reasonably be ascribed to a serious and careful evaluation of the prospects for and problems of economic growth by the Mexican people and the Mexican Government. While in recent years the "balance" of Mexico's growth has come to be recognized as one of its strongest features, the origin of the attention to agriculture and the large-scale program of agricultural development was probably as much political as economic. The philosophy of the Mexican Revolution placed heavy emphasis on improvement of the lot of the nation's landless *peones*; and wholesale land reform, envisioning the ultimate destruction of the great haciendas, was a foundation stone of the Revolution almost from the

<sup>2</sup> Percentages are computed from raw data contained in *ibid.*, p. 404.

beginning. Success in the military and political campaigns of the Revolution depended likewise on the participation or at least the consent of the rural masses. Cárdenas was agrarian-minded, and he accelerated the program of land reform, the provision of agricultural credit, and the undertaking of public works for the benefit of farming. The latter program, both under Cárdenas and under his successors, must be considered one of the most ambitious attempts ever undertaken on a national basis to improve agriculture given the limited nature of Mexico's total resources.

In spite of rapid industrial expansion, the nation has been blessedly slow in espousing the deceptive doctrine that industrialization is the only "way out" of her poverty. While the gospel of industrialism has gradually attracted more and more disciples, Mexico has not yet shut her eyes entirely to the fact that industrial growth cannot occur in a vacuum. Aid has been extended to industry in the forms of increasingly high tariffs, tax concessions, help in obtaining credit, and technical advice and assistance. But, fortunately, considerable effort has also been expended on improvements in other sectors, including agriculture, transportation, communication, and basic public facilities. Without these, it is doubtful that industrial growth would have been so rapid, and chances of creating industries capable of economic operation in the long-run would certainly have been much diminished.<sup>3</sup>

Another fundamental characteristic of the modern Mexican economic milieu is worth separate initial consideration. The nation is faced with an almost explosive increase in population. Between 1930 and 1940, population grew by about 19.4 per cent; between 1940 and 1950, the gain was a little over 30 per cent; and in the seven-year period 1950-1957, there was a further rise of about 22 per cent.<sup>4</sup> The apparent acceleration in the rate of increase in numbers seems to have come primarily from a decline in the death rate, attributable probably to better medical care, improved diets, better sanitation, and a general rise in the level of living. It is doubtful that this acceleration of the rate of population growth will continue since the death rate is now comparatively low and the birth rate is so high that a further rise of any considerable magnitude seems unlikely. Nevertheless, the indicated current net gain of above 3 per cent a year is one of the highest in the world and presents a staggering problem to the Mexican economy. The nation's resource endowment is not sufficiently favorable to warrant

<sup>3</sup> For an excellent discussion of the growth of industry and the philosophy of industrialism in Mexico, see Sanford A. Mosk, *Industrial Revolution in Mexico* (Berkeley and Los Angeles, University of California Press, 1954).

<sup>4</sup> United Nations, Department of Economic and Social Affairs, Statistical Office, *Demographic Yearbook, 1956* and *Demographic Yearbook, 1957* (New York, United Nations, 1957 and 1958).

the belief that such a rate of population growth is a means for better utilization of existing nonhuman factors of production, and provision of a higher standard of living will require continuous improvement of both human resources and productive techniques. While it is dangerous to generalize too easily about the effect of population growth, it is hard to escape the feeling that Mexico could face the future with more reason to hope for speedy improvement in average living standards if the number of Mexicans were not rising in such a spectacular fashion.

TABLE 1

Gross National Product, National Income, Population, Gross National Product per Capita, National Income per Capita, Mexico, 1939-1957  
(Total Product and Income in Millions of 1950 Pesos, Product and Income per Capita in 1950 Pesos, Population in Thousands)

| Year                 | Gross National Product | National Income | Population <sup>a</sup> | Gross Product per Capita <sup>b</sup> | National Income per Capita <sup>b</sup> |
|----------------------|------------------------|-----------------|-------------------------|---------------------------------------|---|
| 1939                 | 20,505                 | 17,791          | 19,413 <sup>c</sup>     | 1,056                                 | 916                                     |
| 1940                 | 20,721                 | 18,048          | 19,815                  | 1,046                                 | 911                                     |
| 1941                 | 23,289                 | 20,360          | 20,332                  | 1,145                                 | 1,001                                   |
| 1942                 | 26,373                 | 23,145          | 20,866                  | 1,264                                 | 1,109                                   |
| 1943                 | 27,358                 | 24,099          | 21,418                  | 1,277                                 | 1,125                                   |
| 1944                 | 29,690                 | 26,250          | 21,998                  | 1,350                                 | 1,193                                   |
| 1945                 | 31,959                 | 28,360          | 22,576                  | 1,416                                 | 1,256                                   |
| 1946                 | 34,084                 | 30,357          | 23,183                  | 1,470                                 | 1,309                                   |
| 1947                 | 34,517                 | 30,856          | 23,811                  | 1,450                                 | 1,296                                   |
| 1948                 | 36,080                 | 32,369          | 24,461                  | 1,475                                 | 1,323                                   |
| 1949                 | 37,627                 | 33,879          | 25,132                  | 1,497                                 | 1,348                                   |
| 1950                 | 41,500                 | 37,500          | 25,826                  | 1,607                                 | 1,452                                   |
| 1951                 | 44,500                 | 40,200          | 26,544                  | 1,676                                 | 1,514                                   |
| 1952                 | 45,000                 | 40,100          | 27,287                  | 1,649                                 | 1,470                                   |
| 1953                 | 44,400                 | 39,600          | 28,056                  | 1,583                                 | 1,411                                   |
| 1954                 | 47,800                 | 42,600          | 28,853                  | 1,657                                 | 1,476                                   |
| 1955                 | 52,500                 | 46,700          | 29,679                  | 1,769                                 | 1,574                                   |
| 1956                 | 56,000                 | 50,000          | 30,538                  | 1,834                                 | 1,637                                   |
| 1957                 | 58,000                 | 52,000          | 31,426                  | 1,846                                 | 1,655                                   |
| Percentage of Change |                        |                 |                         |                                       |   |
| 1945/1939            | 56                     | 59              | 16                      | 34                                    | 37                                      |
| 1951/1945            | 39                     | 42              | 18                      | 18                                    | 21                                      |
| 1957/1951            | 30                     | 29              | 18                      | 10                                    | 9                                       |
| 1957/1939            | 183                    | 192             | 62                      | 75                                    | 81                                      |

<sup>a</sup> Mid-year estimates.

<sup>b</sup> Computed.

<sup>c</sup> Population for 1939 is taken from a different series of estimates from that used for succeeding years and is not precisely comparable. The difference is believed to be less than one half of 1 per cent, however, and should not introduce appreciable error.

Sources: Banco de Mexico, *Trigésimasexta Asamblea General Ordinaria de Accionistas*, 1958; and United Nations, Department of Economic and Social Affairs, Statistical Office, *Demographic Yearbook*, 1952, and *Demographic Yearbook*, 1957.

The period in Mexico from 1939 to the present is much better documented than are the earlier years, and a close look at some of the statistical evidence available is most revealing. Table 1 presents estimates of gross national product, national income, population, gross product per capita, and national income per capita for the 1939-1957 period together with the percentage changes in these measures over this span of years. Whatever may be the failings of these aggregates as precise indications of the magnitude of economic change in Mexico or of the statistical techniques employed in their collection and reduction to pesos of constant purchasing power, they are almost certainly evidence of extraordinarily rapid economic change. Taking the period as a whole, gross national product and national income very nearly tripled, and even after allowing for the almost incredible increase of about 62 per cent in population over these eighteen years the "real" value of national income rose by some 81 per cent per head.

The division of the 1939-1957 period into three six-year spans is purely arbitrary, and the choice of a different division would materially alter the magnitude of differences in product and income growth rates.<sup>5</sup> But it does appear that the expansion enjoyed by the Mexican economy in recent years has been somewhat less rapid than that of the Second World War and immediate postwar years. Possibly the apparently slower rate of expansion of product and income is nothing more than a failure of the aggregate indicators, which are based on data none too secure, to give an accurate representation of the development of the rapidly changing Mexican economy. Some of the sectoral statistics cited subsequently give support to this conclusion, but these statistics themselves are hardly above criticism, and, too, represent only a part of the total economy. In any case, however, the gains in real output and income which Mexico has achieved during these years have been encouraging. The wide disparity between total and per capita gains points again, nonetheless, to the fact that even under the most favorable of circumstances Mexico has a stiff task in simply maintaining per capita income in the face of her massive rate of population increase. Thus, she must achieve large increases in total output year after year in order to accomplish even a moderately rapid improvement in average levels of living.

The national accounts used as a basis for Table 1 are not, unfortunately, provided on a highly detailed basis. A detailed set of sectoral statistics for

<sup>5</sup> For example, if comparison is made on the basis of the two nine-year periods, 1948/1939 and 1957/1948, the increases in real gross product are 76 per cent and 61 per cent respectively, and 40 per cent and 25 per cent for gross product per capita, figures which seem to offer, at first glance, a less radical contrast in growth rates than those given in Table 1.

TABLE 2

Indexes of Real Internal Product at Factor Cost, by Sectors, Mexico, 1939-1950

| Sector                        | Percentage Weight<br>of Sector<br>in Composite <sup>a</sup> | Year  |       |       |
|-------------------------------|---|-------|-------|-------|
|                               |   | 1939  | 1945  | 1950  |
| Agriculture                   | 13.01   | 100.0 | 120.0 | 183.8 |
| Livestock production          | 4.82  | 100.0 | 104.2 | 137.5 |
| Forest production             | 0.41  | 100.0 | 75.3  | 99.4  |
| Fishing                       | 0.41  | 100.0 | 218.0 | 304.0 |
| Mining                        | 2.98  | 100.0 | 100.6 | 97.8  |
| Petroleum                     | 1.66  | 100.0 | 114.0 | 171.2 |
| Electric energy               | 0.54  | 100.0 | 124.6 | 179.7 |
| Construction                  | 1.87  | 100.0 | 173.2 | 154.8 |
| Manufacturing                 | 18.16   | 100.0 | 171.2 | 228.2 |
| Transport and communication   | 4.02  | 100.0 | 144.0 | 206.1 |
| Government services           | 4.89  | 100.0 | 143.6 | 185.1 |
| Rentals                       | 4.92  | 100.0 | 127.5 | 156.9 |
| Commerce and private services | 42.31   | 100.0 | 189.2 | 250.7 |
| Total real internal product   | 100.00  | 100.0 | 160.9 | 214.4 |

<sup>a</sup> Weights correspond to the relative value of the share of product produced by each sector in 1949.  
 Source: Raul Ortiz Mena, Victor L. Urquidí, Albert Waterston, and Jonas Haralitz, *El Desarrollo Económico de México y su Capacidad para Absorber Capital del Exterior* (Mexico, D.F.: Nacional Financiera, 1953).

the 1939-1950 period is available, however, and certain of these are reproduced in Table 2. The previously mentioned "balance" of Mexican growth is clearly apparent from the data shown. It is obvious from the

TABLE 3

Indexes of Volume of Production for Certain Economic Sectors, Mexico, 1950-1957

| Sector or Sub-sector               | Year  |       |       |
|------------------------------------|-------|-------|-------|
|                                    | 1950  | 1954  | 1957  |
| Industrial output, general index   | 100.0 | 123.7 | 168.9 |
| Minerals                           | 100.0 | 95.5  | 108.9 |
| Petroleum industry                 | 100.0 | 136.5 | 200.0 |
| Electrical energy                  | 100.0 | 142.0 | 191.1 |
| Construction                       | 100.0 | 127.2 | 181.5 |
| Manufacturing industry             | 100.0 | 125.4 | 171.7 |
| Consumption goods                  | 100.0 | 116.9 | 143.6 |
| Producers' goods                   | 100.0 | 138.8 | 215.5 |
| Agricultural output, general index | 100.0 | 134.3 | 156.2 |

Source: Nacional Financiera, *Informe Anual, 1957*, and *El Mercado de Valores*, Vol. XIX, No. 43 (October 26, 1959).

breadth of gains in per capita output that every sector of the economy shown, except mining and the almost insignificant category "forest production," expanded at a more rapid pace than did the population, which grew by more than 30 per cent between 1930 and 1950. The gains in commerce and services, manufacturing, transportation and communication, and fishing were particularly large.

The indexes of physical volume of output shown in Table 3, while not directly comparable to the sectoral statistics in Table 2, provide some indication of the growth of certain sectors and sub-sectors of the Mexican economic complex during more recent years. During the years for which data are given, the increase in population was roughly 22 per cent; therefore, output per capita increased markedly in both agriculture and industry as a whole. Moreover, each sub-sector of the industrial index except the perennial laggard, mining, expanded more rapidly than did population. The index of industrial output is a remarkably broad one, and its components together with the general index of agricultural output represent virtually the entire Mexican output of goods. Both these physical indexes rose between 1950 and 1957 at a faster rate than total gross national product which grew, in real terms, by some 40 per cent. Since the indexes measure physical output rather than the value of output, it is possible that their more rapid rates of increase are the result of greater relative production of items whose values are low. But it may be true, on the other hand, that the goods component of the GNP rose between 1950 and 1957 at a more rapid pace than the services component. The latter interpretation is supported to an extent by the sectoral statistics given previously in Table 2. Between 1939 and 1950, government services expanded at a significantly less rapid pace than the real internal product at factor cost, while commerce and private services, though they grew more rapidly than the real internal product (as might be expected in a highly expansionary and inflationary period), expanded far faster during 1939-1945 than during 1945-1950. A more rapid expansion of goods output than of services output would probably be encouraging in an economy such as Mexico's where much commerce is carried on by uneconomically small units and where large numbers of people are employed in more or less "make-work" services at very low incomes solely because of the lack of a more productive outlet for their labor. The actual improvement in living standards might be understated seriously by aggregate GNP or national income statistics, particularly if the sectoral weighting of such aggregates were not frequently revised.

One further item in the sectoral statistics is worth comment, the rise in output of producers' goods. This is not only a mark of a comparatively high rate of investment but also a sign of increasing maturity in the Mexican



economy. Mexico, for reasons other than the degree of her economic development, has always been less dependent on the world economy than many other Latin American nations, but she has had to import capital goods in large quantities, and this has often strained her limited capacity to pay for imports. The rising output of Mexican-produced capital goods, if it continues and spreads to types of such goods other than those now produced, promises a greater independence of domestic capital formation from the balance of payments than has characterized the past.

Other significant aggregate measures of economic activity tell a similar story. Among other things, the data in Table 4 show the division during

TABLE 4

Gross National Product, Available Goods and Services, and Shares of Consumption and Investment in the Total, Mexico, 1945-1956  
(In Millions of 1950 Pesos)

| Year | Gross Product | Available Goods and Services <sup>a</sup> | Consumption | Investment <sup>b</sup> | As a Percentage of Available Goods and Services |                         |
|------|---------------|---|-------------|-------------------------|---|-------------------------|
|      |               |   |             |                         | Consumption                                     | Investment <sup>b</sup> |
| 1945 | 32,500        | 31,826                                    | 23,226      | 3,600                   | 88.7  | 11.3                    |
| 1946 | 33,100        | 36,634                                    | 32,334      | 4,100                   | 88.8  | 11.2                    |
| 1947 | 35,500        | 36,982                                    | 32,082      | 4,900                   | 86.7  | 13.3                    |
| 1948 | 37,200        | 38,056                                    | 32,856      | 5,200                   | 86.3  | 13.7                    |
| 1949 | 39,400        | 38,464                                    | 32,864      | 5,600                   | 85.4  | 14.6                    |
| 1950 | 43,300        | 42,353                                    | 36,453      | 5,900                   | 86.1  | 13.9                    |
| 1951 | 47,200        | 48,339                                    | 42,039      | 6,300                   | 87.0  | 13.0                    |
| 1952 | 47,600        | 48,331                                    | 42,031      | 6,300                   | 87.0  | 13.0                    |
| 1953 | 46,300        | 46,636                                    | 40,936      | 5,700                   | 87.8  | 12.2                    |
| 1954 | 49,800        | 49,212                                    | 43,112      | 6,100                   | 87.6  | 12.4                    |
| 1955 | 54,600        | 53,347                                    | 46,247      | 7,100                   | 86.7  | 13.3                    |
| 1956 | 60,145        | n.a.                                      | n.a.        | 9,270                   | n.a.  | 15.4 <sup>c</sup>       |

<sup>a</sup> Available goods and services are defined by the source as: "... the sum of consumption expenditure and gross domestic capital formation. Available goods and services plus net exports of goods and services (or less net imports) equals gross product. . . ."

<sup>b</sup> Gross investment, includes both investment in fixed capital and inventories, but the inventory component is given separately for only 1951-55. It is very small relative to the total in all years, and was negative in each year except 1952.

<sup>c</sup> Per cent of gross product, not available goods and services.

Sources: United Nations, Department of Economic and Social Affairs, *Economic Survey of Latin America, 1955*, and *Economic Survey of Latin America, 1956*.

1945-1956 of Mexico's available goods and services between consumption and investment uses.<sup>6</sup> The figures shown for investment are gross, and no firm estimate of net investment seems to be available. One source, a mixed commission of Mexican and World Bank experts, estimates depreciation at about 6 per cent of the gross internal product for 1939-1945 and

<sup>6</sup> The gross product series is not identical with that presented earlier, but differences between the two are minor and do not alter the general pattern.



about 7 per cent for 1946-1950.<sup>7</sup> This would indicate a net rate of capital accumulation in the range of about 4 per cent to 7 per cent of the gross product during the years 1945-1956. While net capital accumulation in this range does not look particularly large when compared with the rates achieved in many developed nations, it is a respectable figure for a country

TABLE 5

Gross Internal Investment, by Sectors, Mexico, 1939-1950  
(Stated as Percentages of the Total)

| Sector or measure                                  | Year  |       |                   |
|--|-------|-------|-------------------|
|  | 1939  | 1945  | 1950              |
| Gross internal investment                          | 100.0 | 100.0 | 100.0             |
| Public   | 61.7  | 59.2  | 55.5              |
| Private  | 38.3  | 40.8  | 44.5 <sup>b</sup> |
| Investment in agriculture                          | 13.3  | 11.1  | 19.5              |
| Public   | 6.2   | 6.5   | 9.3               |
| Private  | 7.1   | 4.6   | 10.2              |
| Investment in transport and communication          | 33.3  | 27.9  | 28.8              |
| Public   | 23.6  | 20.2  | 20.3              |
| Private  | 9.7   | 7.7   | 8.5               |
| Investment in petroleum industry (public)          | 2.1   | 4.7   | 4.8               |
| Investment in construction (private)               | 17.1  | 22.1  | 14.5              |
| Investment in provision of energy                  | 1.2   | 1.0   | 5.3               |
| Public   | 0.5   | 0.7   | 4.0               |
| Private  | 0.7   | 0.3   | 1.3               |
| Various public investments                         | 5.9   | 8.6   | 6.1               |
| Direct foreign investment in mining                | 0.8   | 0.5   | 0.7               |
| Investment in manufacturing (private) <sup>a</sup> | 26.3  | 24.1  | 20.3 <sup>b</sup> |

<sup>a</sup> Machinery and equipment only.

<sup>b</sup> The year 1950 is unusual in showing a very high share of public investment in the total and a very low share of private investment in manufacturing, no trend of the magnitude apparently indicated should be inferred.

Source: Raúl Ortiz Mena *et al.*, *El Desarrollo Económico de México y su Capacidad para Absorber Capital del Exterior*.

as poor as Mexico. Moreover, if one judges from the rapid increase in output attained, this investment appears to have been rather well directed.

Also of interest is the distribution of Mexican investment among the various sectors of the economy and its composition as to public or private origin. Table 5 shows these characteristics for the years 1939, 1945, and 1950 (later data on a comparable basis do not seem to be available for all the characteristics shown). Probably the most remarkable feature of these figures is the wide distribution of investment among different uses. All im-

<sup>7</sup> Raúl Ortiz Mena, *et al.*, *El Desarrollo Económico de México y su Capacidad para Absorber Capital del Exterior* (Mexico, D.F.: Nacional Financiera, 1953), p. 4 n.

portant sectors of the economy (except, as usual, mining) have shared significantly in the total, possibly a factor helping to explain the previously observed "balance" in the expansion of total output. Of special interest also are the comparatively large shares of total investment which went into transport and communication. Widespread improvement of facilities for these purposes and for the provision of energy have doubtless played an important role in making possible the gains which have been registered by other sectors. Notable likewise is the rather small share of investment which

TABLE 6

Aggregate Public Expenditures and Investment, Mexico, 1945-1953  
(In Millions of 1950 Dollars)

| Year | Total Expenditures <sup>a</sup> | Total Investment <sup>a</sup> | Investment as a Percent of Expenditures |
|------|---------------------------------|-------------------------------|---|
| 1945 | \$463                           | \$188                         | 40.6                                    |
| 1946 | 413                             | 188                           | 45.5                                    |
| 1947 | 475                             | 200                           | 42.1                                    |
| 1948 | 513                             | 238                           | 46.4                                    |
| 1949 | 587                             | 275                           | 46.8                                    |
| 1950 | 675                             | 325                           | 48.1                                    |
| 1951 | 725                             | 338                           | 46.6                                    |
| 1952 | 712                             | 350                           | 49.2                                    |
| 1953 | 675                             | 300                           | 44.4                                    |

<sup>a</sup> The public bodies whose expenditures are included are the federal government, state and territorial governments, the Federal District government, municipalities, certain separate federal commissions, and the social insurance institutes.

Sources: United Nations, Department of Economic and Social Affairs, *Economic Survey of Latin America, 1953*.

went into private construction, particularly in 1950 (this year is representative of the late forties for this category). Since construction, especially of luxury housing, is a prime speculative investment in many underdeveloped areas, and since it often adds relatively little to the productivity of the economy, the small share may be regarded as favorable.

The public portion of total investment was substantial, though the apparent tendency for it to increase is exaggerated by the choice of years.<sup>8</sup> This public investment was not evenly spread throughout the economy, but

<sup>8</sup> While the figures are not precisely comparable to those in Table 5, it is interesting to note that the United Nations Economic Commission estimated the public share in total investment at about 27 per cent in 1956, while the *Nacional Financiera* set the public portion of total investment in fixed capital at roughly 36 per cent in 1955, 34 per cent in 1956, and 35 per cent in 1957. See United Nations, Department of Economic and Social Affairs, *Economic Survey of Latin America, 1956* (New York: United Nations, 1957), p. 17; *Nacional Financiera, Informe Anual, 1957* (Mexico, D.F.; Nacional Financiera, 1957), p. 38; and *Nacional Financiera, Informe Anual, 1958*, p. 41.

rather was concentrated, with almost half of the total going into transportation in 1950 and 1945 and more than half in 1939. This sector, along with agriculture and the nationalized petroleum industry, absorbed in all three years around three-fourths of all public investment. Other sectors got relatively little direct public investment, but it is probable that a considerable volume of private investment in these sectors would not have been made in the absence of encouragement and aid from the federal government or one of its banking and/or development institutions.

Also instructive is a look at Mexican public investment activities from the standpoint of the share of such investment in total government expenditures. Table 6 shows estimates of the total spending of the public sector and of the proportion of that spending which went for investment purposes. The percentage of total public sector expenditures used for investment was, in every year shown, more than 40 per cent, and reached almost half of total spending in 1950 and 1952. During at least the post-World War II period, government revenues in Mexico have risen at a faster pace than the gross national product, and the capital expenditures of the government (at least through 1954) seem to have risen faster than either of these. Taking 1945 as the base year, government revenues in 1954 (with no adjustment for price changes) stood at 421.4 per cent, gross product stood at 320.9 per cent, and the expenditures made by the government for capital purposes stood at 441 per cent of their value in 1945.<sup>9</sup> There is little evidence that the emphasis on investment in public sector spending has declined materially in more recent years.

Data for gross investment and consumption from another responsible source are also available and show an essentially similar pattern. Table 7 is drawn from material published by the *Nacional Financiera*, Mexico's leading developmental finance agency, and covers the four most recent years for which data can be had. The indicated public share in total fixed investment is comparable to previous years, though somewhat smaller than the years of highest relative public investment. Gross investment is estimated at a somewhat larger share of total available goods and services than was estimated by the Economic Commission for Latin America. However, a major part of this difference can be traced to much different estimates of inventory change. It would be somewhat foolish to pass judgment on the relative accuracy of the two estimates, and, in any case, both seem to show that Mexico in recent years has been investing roughly an eighth to a sixth of the goods and services available to her, and that about a third of this probably has been public investment.

<sup>9</sup> United Nations, Department of Economic and Social Affairs, *Economic Survey of Latin America, 1955* (1956), p. 155.

Finally, one additional important sector of Mexican economic activity deserves attention: namely, her balance of payments and ability to import. In at least the years since the Second World War, Mexico's economic expansion seems to have received comparatively little of its impetus from growth of exports and inflows of foreign capital (though such highly significant factors as spread of "know how," the services of foreign tech-

TABLE 7

Gross National Product, Available Goods and Services, and Component Parts, Mexico, 1954-1957

(In Millions of Current Pesos)

| Measure                                   | Year   |        |        |         |
|---|--------|--------|--------|---------|
|   | 1954   | 1955   | 1956   | 1957    |
| Gross national product                    | 66,100 | 84,000 | 94,000 | 103,000 |
| Exports of goods and services             | 11,411 | 16,282 | 18,075 | 17,527  |
| Imports of goods and services             | 11,705 | 14,880 | 18,153 | 19,572  |
| Available goods and services <sup>a</sup> | 66,394 | 82,598 | 94,078 | 105,045 |
| Consumption                               | 54,107 | 68,324 | 77,880 | 86,941  |
| Investment                                | 12,287 | 14,274 | 16,198 | 18,104  |
| Percentage Consumption                    | 81.5   | 82.7   | 82.8   | 82.8    |
| Percentage Investment                     | 18.5   | 17.3   | 17.2   | 17.2    |
| Total Investment                          | 12,287 | 14,274 | 16,198 | 18,104  |
| Investment in inventories                 | 2,859  | 2,445  | 2,463  | 2,595   |
| Fixed Investment                          | 9,428  | 11,829 | 13,735 | 15,509  |
| Public fixed investment                   | 4,028  | 4,229  | 4,675  | 5,385   |
| Private fixed investment                  | 5,400  | 7,600  | 9,060  | 10,124  |
| Percentage public                         | 42.7   | 35.8   | 34.0   | 34.7    |
| Percentage private                        | 57.3   | 64.2   | 66.0   | 65.3    |

<sup>a</sup> Computed, equals gross national product plus imports minus exports.  
Source: Nacional Financiera, *Informe Anual*, 1958; *Informe Anual*, 1957; *Informe Anual*, 1956.

nicians, and the beginning of production in Mexico of advanced goods, the research and development expenses of which were borne abroad, are not adequately reflected by dollar or peso totals). While domestic growth would certainly have been retarded had exports grown more slowly than they did or had there been no inflow of foreign capital, neither of these appears to have sparked the expansion of the Mexican economy. The total capacity to import goods and services has grown but slowly, and actual imports have likewise not risen with great rapidity over the period as a whole. As shown by the data in Table 8, both capacity to import and actual imports rose between 1945 and 1955 by much less than did the gross national product, and whatever influence they exerted was probably in the nature of a brake rather than an additional push to domestic development. Though

substantial quantities of foreign capital flowed into Mexico during the years indicated, and though this capital has been instrumental in the creation of numbers of new enterprises, the inflow has usually been more than offset by the outflow of capital from the country plus remittances of interest and profits abroad. Since 1955, the picture seems to have remained essentially the same. Figures provided by the Bank of Mexico indicate a rise of almost one third in the value of foreign direct investments in the country

TABLE 8

Capacity to Import and Realized Imports, Mexico, 1945-1955  
(Millions of 1950 Pesos)

| Year | Exports <sup>a</sup> | Net movement of capital | Remittances of profits & interest | Total capacity to import <sup>b</sup> | Index of capacity to import <sup>c</sup> | Imports | Index of imports <sup>c</sup> |
|------|----------------------|-------------------------|-----------------------------------|---------------------------------------|--|---------|-------------------------------|
| 1945 | 7,547                | 527                     | 586                               | 7,488                                 | 104.6                                    | 6,967   | 116.5                         |
| 1946 | 6,136                | -169                    | 559                               | 5,408                                 | 75.5                                     | 7,540   | 126.1                         |
| 1947 | 4,999                | 74                      | 760                               | 4,313                                 | 60.2                                     | 6,207   | 103.8                         |
| 1948 | 5,018                | 132                     | 627                               | 4,523                                 | 63.2                                     | 5,372   | 89.9                          |
| 1949 | 5,481                | 295                     | 478                               | 5,298                                 | 74.0                                     | 4,747   | 79.4                          |
| 1950 | 6,925                | 821                     | 586                               | 7,160                                 | 100.0                                    | 5,978   | 100.0                         |
| 1951 | 7,375                | 450                     | 510                               | 7,315                                 | 102.2                                    | 7,705   | 128.9                         |
| 1952 | 7,809                | 737                     | 684                               | 7,862                                 | 109.8                                    | 7,527   | 125.9                         |
| 1953 | 7,752                | 339                     | 759                               | 7,332                                 | 102.4                                    | 7,835   | 131.1                         |
| 1954 | 8,229                | -273                    | 551                               | 7,405                                 | 103.4                                    | 7,671   | 128.3                         |
| 1955 | 9,726                | 742                     | 753                               | 9,715                                 | 135.7                                    | 8,003   | 133.9                         |

<sup>a</sup> Includes an adjustment for the effect of the terms of trade.

<sup>b</sup> Equals: exports + net movement of capital - remittances of profits and interest.

<sup>c</sup> Computed, 1950 = 100.

Source: United Nations, Department of Economic and Social Affairs, *Economic Survey of Latin America, 1955*.

between 1955 and 1957; but this alone is deceptive, since it does not deduct the effect of inflation and seems to have come in greater part from the re-investment of the profits of existing enterprises than from new capital inflows. Remittances of interest, dividends, etc. abroad have also risen substantially since 1955.<sup>10</sup>

The effects of the postwar devaluations of the peso also show up in the Table 8 data. These devaluations took place in 1948-1949 and in early 1954, and they carried the peso from a level of 4.85 to the dollar to 12.49 to the dollar. Following the devaluations were notable upsurges in the rate of capital inflow (representing, in part, the return of speculators' funds to the country), and large increases in exports also occurred.

<sup>10</sup> Banco de Mexico, *Trigésimasexta Asamblea Ordinaria General de Accionistas, 1958*, pp. 90-92.

*Summary*

Since the restoration of political stability in the early 1930's, Mexico has enjoyed almost continuous prosperity and has been able to achieve large increases in both her total and per capita outputs of goods and services. Between 1939, the earliest year for which firm data are available, and 1957, the latest year obtainable at the time of writing, the Mexican gross national product expanded by about 183 per cent and national income grew by some 192 per cent, both magnitudes being measured in terms of "constant" pesos. Despite a staggering rise of 62 per cent in population, this represented a rise of 75 per cent in product per capita and of 81 per cent in income per capita. Growth appears to have been most rapid in the earlier years of the period, but very respectable gains have been registered more recently as well.

Manufacturing industry led the other major sectors of the economy in rate of growth, but increases in agriculture, transportation and communication, and other sectors were also large. In fact, the broad sectoral distribution of increases in output is one of the most interesting and encouraging characteristics of Mexican growth. Though it did not grow as fast as manufacturing, the rise in agricultural output was particularly vital to the general development of the Mexican economy, since this sector employs a large share of the total labor force and also because its gains allowed the use of foreign exchange earnings for purposes other than the purchase of food and basic fibers.

The share of savings and investment in Mexico's gross product during these years has been substantial though not spectacular. In view of the results obtained, however, it seems to have been well directed. Public investment has bulked large in the total with most of it going into such fields as transportation and communication, public utilities, agriculture, and petroleum.

Mexico's economic growth seems to have been generated mainly from domestic sources. While both exports and capital imports have grown, they have expanded at a less rapid pace than the nation's output as a whole, and they do not seem to have been the prime movers of the Mexican development.

# The Community and Industrial Development: A Case Illustration of Location Problems

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## I.—Background

IN A RECENTLY CONDUCTED SURVEY on industrial plant locations in Florida,<sup>1</sup> useful information on location problems at the community level was brought to light. The results of the survey indicate that it is the moderate-sized firm (about 100–500 employees) which is most likely to encounter serious problems in the community in which it settles. The reason seems to be that, while the selection of the community in which to settle may be of great importance to any firm, the moderate-sized firms tend to do an inadequate job of investigation at the community level and for this size of firm the community factor (in which we include attitudes, police and fire protection, bank loans, local labor relations, effectiveness of local government, and their like)<sup>2</sup> is especially critical.

The community factor includes such advantages as proximity to raw materials, an extensive local market area, superior community services and facilities as well as the existence of sufficient space for expansion, nearness of plant location to workers' homes, and similar items. Indeed, for a theory of location designed to explain why firms have located in a certain com-

<sup>1</sup> M. L. Greenhut and M. R. Colberg, *Why Industry Locates in Florida*, private report submitted to the Development Commission.

<sup>2</sup> Local taxes are not specifically included (nor excluded) in the community factor since to simplify the questionnaire it was considered desirable to lump state and community tax factors together. This "tax" is not part of the statistics cited in the paper. However, the probability is high that respondents to the questionnaire whose location was influenced by local tax policy also considered the prevailing local government factor (e.g., efficiency and policy) in corresponding light and accordingly recorded their reaction to this factor in the community slot specially provided for such considerations. It is accordingly likely that local taxes are therefore included indirectly in the general statistics to be presented here.



munity, all of these elements are relevant. However, the purpose of the present paper is not to explain the underlying economic and institutional advantages of particular communities but rather to take as given the economic advantages of a community and then to find out how often, when the institutional character of the community was subsequently found to be disadvantageous and harmful to the company, it had been expressly considered or ignored by plant locators. Further, by case example, we will illustrate aspects of "our" community factor which are making uneconomic the location of an otherwise highly promising company in Florida. And last of all, we will inquire into the importance of the community factor in inducing location in Florida.

## II.—Survey Findings

The information gathered in the survey points to the probability that the very large or the very small firm is unlikely to experience community difficulties comparable to those of the moderate-sized firm. The decision maker in the very large company almost always has the services of specialists in every field of activity and may well already have had location experience in establishing branches. The very small firm, on the other hand, is unlikely to make any unusual demands on the community in which it settles, either quantitatively or qualitatively. Hence the superficial survey of community facilities that such firms have the resources to make is generally adequate.

The survey to which reference has been made covered 752 firms. As is shown in Table 1, 59, or 8 per cent, of these had more than 100 employees at the time they settled in Florida, *though none were very large by national standards*, while the remaining 693, or 92 per cent, employed fewer than 100 workers. Of the former group, 43, or 73 per cent, admitted that they had been influenced by factors as community facilities in the selection of a plant location, while of the smaller firms this was true of 497, or 72 per cent, of the group. However, if we disregard the firms whose owners were residents of the community in question or who had family connections in the community, the relative figures must be adjusted to 64 per cent for larger and 45 per cent for smaller firms. Clearly the larger firm in Florida tends to stress the community factor more than the smaller firm when personal considerations are not taken into account.

Table 2 indicates that 16, or 27 per cent, of the firms with more than 100 employees found that community disadvantages existed after they had located the plant. For the smaller firms, the comparable figures are 49, or only 7 per cent. A standard error of 5.8 per cent exists for the firms with more than 100 employees that experienced community disadvantages while the standard error for the 7 per cent smaller companies experiencing com-

parable disadvantages is .97 per cent. The standard error of the difference between the two measures is 5.88 per cent while the difference is 20 per cent. This leaves a difference equal to about 3.4 times its standard error. If chance alone were operating, we should get differences larger than this only 47 times out of 10,000. This tends to bear out the earlier claim that the larger firm in Florida found the community factor more of a problem than did its smaller counterpart.

Table 3 supplies us with further information about the adequacy of the larger Florida firm's pre-location investigations of community factors. Thus, of the 43 firms employing more than 100 workers which did give prior consideration to the community factor, 8, or 19 per cent, encountered disadvantages despite their concern. However, of these 8 firms 5 report that the difficulties they encountered have been remedied. Of the 16 firms with more than 100 employees which did not give prior consideration to the community factor, 8, or 50 per cent, had since experienced difficulties and still had problems at the time of the survey. Coincidentally, we find that, in advance of their location, 43 firms considered the community factor to be of significant locational importance and 43 firms subsequently claimed no problems with the community. Of the 43 that did *not* experience trouble, 8 were among the 16 which did not consider the factor (making up 50 per

TABLE 1

New Firms in Florida, 1956-1957, Influenced by Community Facilities, Attitudes, and Other Factors in the Selection of a Plant Location

|                                     | I<br>No. of<br>Plants<br>Surveyed | II<br>Percent-<br>age of<br>Total<br>Plants<br>Surveyed | III<br>No. In-<br>fluenced<br>by the<br>Com-<br>munity<br>Factor &<br>with No<br>Background<br>or Family<br>Connection<br>in the Com-<br>munity | IV<br>Percent<br>Column<br>III Is<br>of<br>Column<br>I | V<br>No. In-<br>fluenced<br>by the<br>Com-<br>munity<br>Factor but<br>Who Had<br>Family Con-<br>nections or<br>Were Former<br>Residents | VI<br>Total of<br>Columns<br>III & V | VII<br>Percent<br>Column<br>VI Is of<br>Column I |
|-------------------------------------|-----------------------------------|---|---|--|---|--------------------------------------|--|
| Plants with More than 100 Employees | 59                                | 8   | 38  | 64   | 5   | 43                                   | 73   |
| Plants with Less than 100 Employees | 693                               | 92  | 315   | 45   | 182   | 497                                  | 72   |
| Total                               | 752                               | 100   | 353   | 47   | 187   | 540                                  | 72   |

TABLE 2

Firms Citing Community Disadvantages after Location Was Effected

|   | Firms with<br>More than<br>100 Employees | Firms with<br>Fewer than<br>100 Employees |
|---|--|---|
| Number of Firms Experiencing Community Disadvantages after Location Was Effected and Still Subject to These Disadvantages | 11                                       | 21  |
| Number of Firms Experiencing Community Disadvantages Subsequently Remedied by the Community                               | 5  | 28  |
| Total Number Experiencing Community Disadvantages   | 16                                       | 49  |
| Total Number Surveyed in the Assigned Categories  | 59                                       | 693                                       |
| Percentage Total Number Experiencing Community Disadvantages Compared to Total Number Surveyed                            | 27                                       | 7   |

cent of this group), while the remaining 35 came out of the group of 43 that did consider the factor (making up 81 per cent of this group).

The differences recorded above are significant of course, not only to the individual firm that makes or does not make a mistake but on the generalizing level of statistics. Thus we find that for the 50 per cent of the 16 firms with more than 100 employees which did not consider and did not experience community problems, a standard error of 12.5 per cent prevailed so that we should almost never get a rate higher than 87.5 per cent or lower than 12.5 per cent. In turn, the 81 per cent of the 43 firms that did consider the community factor and did not experience community problems record a standard error of 5.98 per cent, where we should practically never get a rate higher than 98.94 per cent or lower than 63.06 per cent.

The standard error of the difference is 13.86 per cent and the difference, we recall, is 31 per cent or 2.2 times its standard error. We have included approximately 97.2 per cent of the cases by this difference. As such, we should get a difference as shown here because of pure chance in only about 28 times out of 1000. The chances against such an occurrence are almost 36 to 1. Following the English practice, we call the difference significant, though not highly significant. Therefore we conclude that a firm of the size in question that considers the community factor in location does so to its significant advantage.<sup>3</sup>

<sup>3</sup> A comparable check relative to the small firm and the community factor revealed no significant correlation between consideration of the community factor and the experiencing of community disadvantages.

III.—*The Problem Illustrated*

Having noted that the firm with more than 100 employees finds the community factor more of a problem than does the small firm and that this problem may be significantly reduced by considering the factor prior to location of the firm, our interest turns to some forms which community disadvantages may take. In fact, the major purpose of this paper is to illustrate some of the problems encountered by these moderate-sized firms which were the result of inadequate investigation of community facilities. While the illustrations are drawn from the experience of only one firm, we believe that the discussion of even a single case will prove valuable as long as it is clearly understood that the purpose of the discussion is to illustrate location problems rather than to substantiate any generalizations on the subject.

However, even this limited information may have some general applicability in at least three ways. It can, first of all, provide us with guideposts

TABLE 3A

Firms with 100 or More Employees Which Experienced Community Problems and Those Which Did Not

|   | I<br>No. That<br>Considered<br>the Factor<br>in Advance<br>of Location | II<br>No. That<br>Did Not<br>Consider<br>the Factor<br>in Advance<br>of Location | III<br>Total<br>Col.<br>I & II |
|---|--|--|--------------------------------|
| Number of Firms Now<br>Experiencing Com-<br>munity Problems | 3  | 8  | 11                             |
| Number with Community<br>Problems Rectified                 | 5  | 0  | 5                              |
| Number that Did Not<br>Experience Community<br>Problems     | 35   | 8  | 43                             |
| Total   | 43   | 16   | 59                             |

for further research; it can suggest questions to ask in further processing of the data from the survey; and it adds to the accumulating fund of knowledge on the basis of which valid generalizations can be drawn.

Furthermore, if the information is utilized by firms whose situations are in any way comparable to those of the firm discussed, such firms may be able to anticipate and hence to avoid some of these problems.

And, finally, communities which are actively trying to promote indus-

trialization may find here clues to the demands which may be made upon them by firms seeking communities in which to locate.

### *The Firm and the Community*

The firm whose location problems we are about to consider was small when it came to Florida, but, because of its rapid growth, it properly belongs in our group of firms having more than 100 employees. The industry of which it is a part is a fast developing one nationally, and the firm itself is still growing very rapidly.

The community in which the firm located is nonmetropolitan, by which we mean it is small and essentially rural in character. It is also of some importance to note that the community had no previous experience with industrialization and had made no special effort to attract industry.

### *Why the Firm Chose Florida*

The most important single factor which influenced the firm to settle in Florida was the existence of a market for its product there and the prospects of substantial growth of that market. It was believed and has been proved to be true that other major markets could also be tapped because the product is such that buyers are willing to utilize air transport to call at the

TABLE 3B

Cumulative Totals—Firms with 100 or More Employees Which Experienced Community Problems and Those Which Did Not

|  | I   |   | II  |  | III                             |  |
|--|---|---|---|--|---------------------------------|--|
|  | A   | B   | A   | B  | A                               | B  |
|  | Cumulative Total: No. that Considered the Factor in Advance of Location | Cumulative Percentage of Total Shown in Column IA | Cumulative Total: No. that Did Not Consider the Factor in Advance of Location | Cumulative Percentage of Total Shown in Column IIA | Cumulative Total: Col. IA & IIA | Cumulative Percentage Shown in Column IIIA |
| Number of Firms Now Experiencing Community Problems    | 3   | 07  | 8   | 50   | 11                              | 19   |
| Number with Community Problems (Existing or Rectified) | 8   | 19  | 8   | 50   | 16                              | 27   |
| Total Number of Firms                                  | 43  | 100   | 16  | 100  | 59                              | 100  |

plant, make their selections, and, if desired, take the product with them on their return trip. This last consideration plus the need for an airport for test purposes indicated the importance of a site near an airport, which posed no great problem since there were many such available sites in Florida.

The second major factor in leading the firm to a location in Florida had to do with costs. In the last analysis, the product of the firm is more than anything else the result of the skill of its highly trained employees. While this may be said to be true to some extent of any firm, with this industry, it is especially important because the compensation of these employees constitutes the major cost factor for the firms. The companies, in effect, invest heavily in the training of those they hire, and they can do business effectively if, and only if, they are able to attract and retain a sufficient number of the right kind of personnel.

Furthermore these workers have high potential mobility because their skills are in great demand and many alternate opportunities are open to them. It thus becomes a matter of the first importance for firms in this industry not only to provide suitable working conditions and compensation but also to provide a nonwork environment which is attractive. Failure to do so means that costly differentials must be paid.

Because Florida appeared to possess many features which would be attractive to the work force, the firm considered this along with the market conditions noted above as an important reason for choosing a location in Florida.

An additional advantage to being in Florida which was not anticipated but which is proving to be of some importance is the willingness of suppliers to offer better than average service. The company officials have noticed that executives of supplying firms appear to enjoy making visits to this area, so that company needs are serviced by vice-presidents and sales managers rather than field representatives. The result is that suppliers tend to use this area as a proving ground for new sales-service-promotion schemes. The officials of the company under discussion believe that the gains from this favored treatment could be well worth the cost of any move.

#### *Selection of Plant Site Within Florida*

Having narrowed its location choice to the State of Florida, the officials of the company were then confronted with the task of selecting a community in which to settle. They wished to locate in a community within motor access of the major market in the state, one which had suitable airport facilities, and one which would be attractive to the company's employees. Several communities appeared to meet these requirements and



from among these the company's officials made their final choice. As subsequent discussion will show, however, they made this choice on the basis of only a superficial knowledge of these communities. This fact created the problems encountered by the firm in the community selected.

### *Banking Problems*

It was of the utmost importance to the firm to be able to obtain funds from local banks on satisfactory terms at the time it was first located in this community. It was not in a position to obtain funds from the country's major money markets both because of its size and because of the distance from such markets.

Nor was the Small Business Administration (SBA) a satisfactory source of loan funds because such loans are tied to particular contracts in a fashion which worked to the disadvantage of the firm under discussion. In order to obtain a loan the firm must show a contract; yet in order to get the contract in the first place, the firm must show financial capacity. This does not mean that an application for a loan cannot be filed on the basis of an expected contract, nor that such a loan might not be granted. However, it does mean that the loan requires some probability of a commitment by the government. The whole process is therefore very involved and often forces the government officials who award contracts to delay agreements pending the outcome of loan applications. Somewhat naturally they find this undesirable and tend to prefer applicants who have already solved or are prepared to solve their working capital needs in some other way.

At the time of its location, however, the firm anticipated no problems in borrowing locally, because the financing it sought was of a type long considered a prime investment in most money markets in the country. The receivables behind the loan are backed by a cost plus fixed fee (CPFF) contract guaranty to the lender such that the sum involved is virtually assured. The only complication which might arise is in connection with loans made at the time the government is billed but before it has accepted the performance. Even here, however, the risk is quite small, and bankers who have taken the trouble to investigate practices in the industry consider it negligible.

Under these circumstances, it came as a serious shock to the officials of the company that the bank not only refused the firm's initial application for a loan but continued to refuse subsequent applications even after the circumstances of the case had been made abundantly clear. This refusal was particularly aggravating in view of the fact that the same banker who rejected the loan applications expressed a desire to buy a controlling interest in the company.

*Living Conditions in the Community*

The existence of attractive living conditions for the employees of the firm has already been indicated as a factor in a satisfactory adjustment of a business in a community. For this firm living conditions have been a continuing problem.

**(1) Housing**

Of major importance from the employee point of view is the question of housing. It was quickly discovered, albeit too late, that housing was inadequate to meet the increased demand associated with the influx of new workers. While the situation has since improved to the point where conditions are now generally satisfactory, the rate of improvement was so slow that housing was a continuing problem for some time.

One explanation for this unsatisfactory situation seems to have been the inability or unwillingness of local builders to go above the pace of activity which had been adequate for an essentially rural community. As a result, they did not move quickly enough to meet the needs of the firm's employees. Another factor, at least in the beginning, was the difficulty of financing housing on terms which the buyers considered reasonable. And, finally, some community reluctance to accept industrialization and the changes that go with it was reflected in a rather cautious approach to housing development on the part of local builders.

The spokesman for the company felt that this housing shortage was serious and that for a time it retarded the company's growth. In addition he noted that relations between the company's employees—newcomers to the community—and the rest of the town's population were not of the best because the workers felt that their needs in the community were regarded as unimportant.

**(2) Medical Facilities**

Another problem encountered in the community is a serious overcrowding of medical facilities and a lack of certain specialized medical services. The seriousness of the situation is illustrated by the fact that there are generally between twenty and thirty more patients in the local hospital than it is designed to handle. As a consequence, the company found it necessary to use its own plane to transport employees to other hospitals for treatment not locally available, a service it has also extended to members of the community who are not employees of the firm.

The spokesman for the company believes that this situation has not been corrected because of the political influence of a group which is heavily involved in land speculation. These speculators have prevented any freehold vote on the question of increased property taxes to finance a new hospital

because they fear such an increase in rates would force them to dispose of some of their speculative and other holdings in order to pay the higher rates. As a countermeasure, the group has proposed that a new hospital be financed out of voluntary contributions, an approach which has seldom been notably successful in this or other areas.

The officers of the firm have taken the position that development of modern hospital facilities is one of the community improvements that would attract additional industry. And they insist that the increase in tax receipts which would result from further industrialization would be more than sufficient to pay for the improvements without raising tax rates. While the local group rejects this argument, its members continue to buy land for speculative holding in anticipation of further increases in land values, a course of action which is hardly consistent with their other beliefs.

#### *Relations with Local Government*

The last problem we will discuss is one which arose between the company and city officials over airport facilities. As the firm grew, it found that it needed improved and expanded airport facilities. Because important advantages were to be derived from having all of its facilities contiguously located, it seemed that the best way to meet this need was to repair and enlarge certain runways and hangars at the airport where the firm was already located.

The officials of the company proposed to the city that the firm would make these changes, itself initially putting up the money but with the city repaying the firm by allowing it to amortize the costs out of its rental payments during the period of the firm's lease on the property. The city was, in effect, offered a loan of the money needed.

The firm made it plain that if the city rejected the offer the firm would be forced to establish a branch elsewhere, as a result of which the city would lose some two hundred college-trained employees who would otherwise be moved in. The firm's position was that these new employees would be such an asset to the community, both financially and in other respects, that it was only fair for the city to bear the financial burden of the improvements.

Whether wisely or not the city rejected the company offer, and the firm carried out its threat by establishing a branch for the performance of certain testing operations in another city. This has created added problems for the firm, since it now has a more difficult task of coordination and has incurred additional expenses for travel by top-level personnel.

#### *IV.—Principles Illustrated*

The problems encountered by this firm at the community level indicate

that the company's location policy was seriously deficient. It is evident that, while the firm did have a reasonably clear idea of what it wanted in a community, it did not investigate carefully enough the extent to which the selected community met these needs or was prepared to make the changes necessary to meet them. It seems likely that this expensive oversight was a result of the fact that this small firm, like many others, did not have a staff highly specialized in the problems of location. Where specialists in this field would have been keenly aware that existence of institutions in a community does not necessarily guarantee their adaptability to the needs of a particular business, the evidence seems to indicate that the officials of the company had not considered this possibility.

There was a bank—therefore it was assumed that credit would be made available to a prospering enterprise, especially in light of the CPFF government guaranty contracts under which this firm does much of its business. The city was full of pleasant homes—so it was taken for granted that more pleasant homes could and would be built as needed. There was a hospital—and no one seems to have doubted that medical facilities were adequate. And there were airport facilities which *could* be expanded—though the question was not raised as to whether these facilities could be expanded on terms acceptable to the company. Such a failure to give more than superficial attention to community factors has already cost the firm what by its own admission is a substantial sum of money. And it is now seriously considering an expensive relocation, hoping another time to avoid the mistakes it made in the past.

No one in the community seems to believe that the company will move out lock, stock, and barrel, for the executives of the company own in the area homes valued at between \$50,000 and \$100,000. However, company officials insist they are willing to sacrifice the values of personally held properties, if they have to as a result of the company-community disputes, because they have more tied up in the company than in real property. If what the company officials claim is true, this substantial relocation that should not have been required may yet take place.

#### V.—*How Important Is the Community Factor in Attracting New Plants to Florida?*

A few general words about the theoretical system on which the Florida survey was based are in order before we can answer the last question to which this paper is addressed: whether the community factor taken alone was important enough to cause new plants to locate in Florida. To under-

<sup>4</sup> We cannot inquire into the converse question, that is, how many companies decided against a Florida location because of an unfavorable community factor.

stand what follows, it is fundamental to note that the purpose of the survey was first to find out which factor or factors attracted the firm to Florida and then which factor or factors attracted the firm to the specific county in which it located. Let us suggest in advance that the community factor could exert a primary attracting force toward the state only if the advantages offered by the community were so outstanding as to constitute the main or at least a most vital variable in favor of Florida as compared to alternative places. If some other factor or factors were most favorable in Florida compared to non-Florida locations, the community factor could only be relevant on the specific and not on the state level of location determinants. What are these other factors?

In the broad sense, location factors were divided in the survey in question into three categories: demand, cost, and purely personal. Without exploring the reasons why in this paper, we can say that the demand factor (i.e., the access to markets), which, by the way, was not conceived of entirely in traditional terms, dominated the locational selection. The cost factors, such as labor costs, transport costs on materials and on finished products, and other processing costs also played a significant role. And, while the personal factor with economic implications, such as the existence of friendly and long-established contacts with suppliers and bankers, was also often noted, the purely personal factor was not.

The system was so designed that the economic advantages of the new business activities in Florida were being studied rather than the location of individuals. Thus for a location to be classified as purely personal and hence noneconomic, it was required under the theoretical system for the respondent or interviewee to agree that he had knowingly sacrificed a greater profit elsewhere as a result of his location in Florida. The relevant time period was determined by the respondent and hence it may have been either the short or the long run, though only rarely was it a year or less. Significantly, there was not a single respondent or interviewee who located in Florida because, for example, of family ties, who did not also believe his activity stood a slight chance of greater gain than at any other location known at the time to him.

Thus according to the results of the survey, market or cost factors attracted the firms to Florida, though the particular location *in* the state was chosen as a result of modification of this or that factor. In no case under the survey was the community factor so important that it served as the main factor attracting the firm to Florida. It either served as a secondary or tertiary factor in inducing the firm to locate in the state or else it was instrumental in leading the firm to the county of location only after the firm had already decided on Florida.

When regarded in this second or third *state* factor role or in the primary *county* role, the community factor was noted 206 times by respondents. The accompanying Table 4 records the community factor in this light, using the term "highly significant" in the sense above to indicate that it served as the

TABLE 4

The Community Factor in New Locations in Florida By Selected Industry

| SIC Code | Description                        | Number Surveyed* | Number Checking Community Facilities and Attitudes as a Highly Significant Factor† |
|----------|------------------------------------|------------------|--|
| 19       | Ordnance                           | 2                | 1  |
| 20       | Food and Kindred Products          | 66               | 23   |
| 22       | Textile Mill                       | 14               | 6  |
| 23       | Apparel and Other Finished Fabrics | 23               | 13   |
| 24       | Lumber and Wood                    | 72               | 21   |
| 25       | Furniture and Fixtures             | 37               | 2  |
| 26       | Paper and Allied Products          | 14               | 5  |
| 27       | Printing and Publishing            | 62               | 16   |
| 28       | Chemicals and Allied Products      | 25               | 4  |
| 29       | Petroleum Refining                 | 12               | 5  |
| 30       | Rubber and Miscellaneous Plastics  | 1                | 1  |
| 32       | Stone, Clay and Glass Products     | 45               | 4  |
| 33       | Primary Metals                     | 11               | 6  |
| 34       | Fabricated Metal Products          | 109              | 24   |
| 35       | Machinery                          | 82               | 25   |
| 36       | Electrical Machinery               | 34               | 21   |
| 37       | Transportation Equipment           | 58               | 14   |
| 38       | Precision Instruments              | 20               | 9  |
| 39       | Miscellaneous Manufacturers        | 23               | 1  |
| 50       | Wholesale Trade                    | 1                | 1  |
| 89       | Miscellaneous Services             | 7                | 4  |
|          |                                    | 716              | 206  |

\* Among those examined there were no companies dealing in leather and leather products, rubber and rubber products, construction, and trade and mining which were influenced by community facilities. These industries are therefore not included in the table.

† By "highly significant" we mean that a factor served as either the second or third factor inducing the firm to locate in Florida or else that it was the chief consideration moving the firm to its specific county of location in Florida.

second or third *state* factor or the first *county* factor. For those interested, the data are broken down on an industrial basis.

On the basis of the Florida study the following conclusions can be drawn:

(a) The firm does not select its community first, but rather becomes interested in a general area. It then selects the community from among those



within the desired area, quite often on the basis of factors different from those which led it to the general area.

(b) The moderate-sized firm with 100 or more employees finds the community factor more of a problem than the smaller firm when it does not take community factors into account.

(c) Even when the firm does take community factors into account in selecting its location, it may find that its study of the problem has been inadequate and may pay a high price for this error. The latter result holds true on the basis of the survey only for the firms with 100 or more employees, since statistical results for the smaller firms were insignificant<sup>5</sup> and few firms that are large by national standards were covered.

### *Appendix*

We submit below certain references properly or improperly made to questions about the community factor. The quotations do not describe all of the aspects of the community factor but do provide ideas about some of them.

"... We found that this location provided the necessary availability of land, adequate water facilities for the shipment of raw materials, and an excellent source of 'good' water necessary for our process."

"I believe that the most important factors which are considered are as follows:

"1. The presence of good Churches and Schools.

"2. Adequate water supply by city owned water works as well as water of \_\_\_\_\_ Creek for industrial use.

"3. Unusually good shopping facilities for a town with a small population.

"4. The attitude of local businessmen and civic leaders in helping to locate and obtain a suitable plant location."

"... the reason for the particular location is that there were buildings already built to take care of such a plant. Also, this is the location of the former \_\_\_\_\_ mill that went out of business a long time ago."

"Concerning facilities ... environs appeared to have adequate housing (although the seasonal nature of rentals is a disadvantage), plus all other community assets such as schools, churches, shopping centers, recreation, good roads and streets, utilities, etc. It is often much easier for employees to be assimilated into and become acclimated to a growing area such as this.

<sup>5</sup> See n. 3. Statistically we find that the small firm which considers the community factor errs in its location with respect to the community as much as the small firm that ignored the factor. Apparently the research job of the small firm with respect to the community, even when attempted, often proves inadequate.

The mild climate and proximity of the ocean and fresh water recreational facilities do their share toward attracting good employees.

"Concerning attitudes, an industry such as ours is welcomed, since a more stable base for growth (and taxation) is provided. The communities themselves have a heavy influx of 'non-crackers,' and a good spirit of neighborliness is fairly easy to achieve. More important than any other single factor, an enterprise wants to be wanted in an area. To date we are satisfied that this holds true for us."

"I believe that you misinterpreted my earlier report on our reasons for locating here. The only community facility that led us here was its location in the near center of a rapidly growing residential boom extending from ——— to ———. The attitudes shown by the community toward our choice were nil or less so. The 'less so' being the refusal of the ——— Fire Department to give us fire protection altho we are only 100 ft. over the county line. No attention to our struggles with the power company for power and the telephone company for phone service was given us.

"After the land was cleared, the buildings erected and business operations underway, the local weekly gave us less than fifty words in a back page in a remote corner. The same morning a representative called asking for a half page ad 'in view of the wonderful write-up we gave you.' In those famous WWII words, 'Nuts!'

"Since we have joined the C. of C., but the only interest paid us is regular calls by various and sundry organizations for donations of money. Otherwise, still nil."

"Facilities: 1. Availability of processing building.

"2. Availability of power, waste disposal, etc.

"3. Readily available labor source.

"Attitudes: 1. Very cooperative on part of city executives and Chamber of Commerce in encouraging small business."

The feeling of being wanted and being important is what industrial plants and people in general seem to want. The community which really is warm in heart will help move a plant to it even though the move may involve considerable distance. And who is there who can say that the differential rent due to extra output from extra satisfactions is not a true rental income in replacement of another cost?

# A Test of Effectiveness of Interest-Group Pressures on Legislators

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TESTS OF PARTISAN AND CONSTITUENCY FACTORS in legislative voting can be conducted easily by political scientists by use of roll-call votes alone. Studies abound, therefore, which correlate party and constituency with roll calls and provide some evidence that legislative voting may be related to party and to constituency on some bills. However, while political scientists have produced a vast literature on interest-group pressures on legislators, they have not had comparable means of testing the effectiveness of pressures applied by conflicting private organizations which are situated throughout the nation or throughout states.<sup>1</sup>

A conflict of two bank factions, which occupied considerable attention in the 1957 Wisconsin Assembly, provided a case study which could be used to determine something of the effectiveness of pressures applied by competing bank factions located in various parts of the state. This study was part of a larger study conducted by the author on 20 conflicts considered by the 1957 Wisconsin Assembly, the 100-member lower house of the Wisconsin Legislature.<sup>2</sup>

This bank controversy centered around a Senate amendment to an Assembly bill before the Assembly from May 29, 1957, to June 27, 1957, on which 12 roll calls were conducted.<sup>3</sup> The controversy, one aspect of a basic cleavage within the Wisconsin banking fraternity, concerned whether banks should be allowed to establish paying and receiving stations on parking lots

<sup>1</sup> A specific recognition of this problem as a limitation of his own study was contained in Julius Turner's *Party and Constituency: Pressures on Congress* (Baltimore: The Johns Hopkins Press, 1951), p. 21.

<sup>2</sup> Wilder Willard Crane, Jr., "The Legislative Struggle in Wisconsin: Decision-Making in the 1957 Wisconsin Assembly," unpublished Ph.D. dissertation (Madison, Wisconsin, University of Wisconsin, 1959).

<sup>3</sup> More specifically, the controversy centered around Amendment 1S to Bill 333A, 1957 Wisconsin Legislature. The complex history of this bill and its amendments may be found in State of Wisconsin's *Index to the Journals of the Seventy-third Session of the Wisconsin Legislature, 1957* (Madison, 1957), pp. 638-639.

within 1000 feet of a bank. This rather simple proposal, which was designed to reduce parking problems, was opposed by those bankers who regarded it as a step toward allowing new branch banks, which have been prohibited in Wisconsin since 1947. The basis for the objection was that the amendment allowed for stations which were not physically attached to the central bank building. Accordingly, the conflict on these stations set in motion a more basic conflict in Wisconsin banking politics. Opponents of new branch banks were the First Wisconsin National Bank of Milwaukee, which already had 13 stations and was the largest bank in Milwaukee County, those banks in other cities which were affiliated with the First Wisconsin National Bank of Milwaukee through the Wisconsin Bank Shares Corporation, and some small city and village banks which feared competition from larger banks in their areas. Supporters of the measure were the second and third largest banks in Milwaukee County and some banks in other cities which sought to expand.<sup>4</sup>

While not all banks in Wisconsin took an interest in this conflict, those which did were well organized and active participants in the legislative struggle. Proponents were organized in groups called the Wisconsin Country Bankers Group for Service Banking and, later, the Better Banking Association; opponents dominated the Wisconsin Bankers Association and the Bank Executives Club of Milwaukee County. Each faction maintained lobbyists in Madison, provided its supporters with roll calls, and urged bankers to contact assemblymen to request support for their respective positions. The largest Milwaukee banks even retained their own lobbyists.

After weeks of debates and roll calls, the Assembly refused to give the bank-lot-stations amendment the two-thirds vote constitutionally required for bank legislation in Wisconsin. Although the intensive pressure activity of both factions resulted in having some assemblymen shift votes on the 12 roll calls, the measure never obtained a two-thirds vote of all members. The final roll call on the amendment resulted in a vote of merely 62 to 32 for the bill, 5 votes less than the two-thirds which would have been necessary for passage.<sup>5</sup> The difference between votes for and against the amendment could not be explained on the basis of partisan or rural-urban factors, since 70 per cent of the Republicans and 60 per cent of the Democrats voted for it, and 73 per cent of the urban faction and 59 per cent of the rural faction voted for it.

Accordingly, interviews were one of the few means by determining what factors had determined votes cast for and against this amendment. Eighty-one assemblymen, of whom 79 had voted, were interviewed concerning

<sup>4</sup> Wisconsin Legislative Reference Library, *Assembly Hearings on Assembly Bills*, 1957, 333A.

<sup>5</sup> State of Wisconsin, *Assembly Journal*, 1957 (Madison, 1957), p. 1561.

TABLE 1

Comparison of Positions of Local Banks and Votes of Assemblymen on Paying-and-Receiving-Stations Amendment to Bank Bill

| Delegates                   | Number | Per Cent<br>(N-79) |
|-----------------------------|--------|--------------------|
| Influenced by Pressure      |        |                    |
| Banks Yes, Vote Yes         | 18     |                    |
| Banks No, Vote No           | 23     |                    |
|                             | 41     | 52%                |
| Free Agents                 |        |                    |
| Banks Unconcerned, Vote Yes | 17     | 22%                |
| Cross-Pressured             |        |                    |
| Vote Yes                    | 11     |                    |
| Vote No                     | 5      |                    |
|                             | 16     | 20%                |
| Profiles in Courage         |        |                    |
| Banks No, Vote Yes          | 5      | 6%                 |

their reactions to it. The respondents were a statistically valid sample of these variables: party, rural-urban status, age, education, occupation, and length of legislative service.<sup>6</sup>

These respondents, in answer to questions, made clear that contacts from local bankers in their respective districts were the most critical factor in the votes cast on this issue. Table 1 reveals that 52 per cent of the respondents voted consistently with what they perceived to be the dominant pressures from the bankers in their districts. Only 6 per cent of the respondents voted contrary to what they perceived as the dominant pressures from bankers in their districts. The remaining respondents had no contacts with their local bankers or were cross-pressured.

The specific statements of the respondents will make clearer than any number of tables what the reactions of assemblymen were on this conflict. Respondents were assured that they would not be quoted, so code numbers are used after each statement.

Eighteen respondents voted consistently with the position of the banks in their districts by supporting the amendment. Five of these respondents indicated that they had been persuaded by their local bankers. A typical statement was the following:

I believed in it. All the banks in [district] were for it, and I am personally acquainted with the problem. (1742)

<sup>6</sup> Using the Chi-square model of significance, the hypothesis that there was not a difference between population and sample was not rejected at the .001 level.

However, 13 of the respondents who had voted consistently with the positions of their banks by supporting the amendment made clear that they had acted merely as agents of their banks and without concerning themselves with the bill's merits. A typical statement was the following:

I was not very enthusiastic about it, but I decided to support it. I consulted several bankers, and they wanted it. (2082)

Twenty-three respondents voted consistently with their local banks' positions by opposing the amendment. Only 3 of them indicated that they had concerned themselves with the principles of the proposal. A typical statement was the following:

I am deadly against branch banking. It was a stepping stone to branch banking, the same as California has. They could run our own little banks out of business. Our bankers were absolutely opposed. (2881)

However, 20 of those voting against the amendment consistently with their bankers' positions indicated that they had voted merely as delegates of their local banks. Typical statements were the following:

The local banker is a pretty good friend of mine, and he asked me to vote against it. He didn't care much either, but he wanted to impress the Milwaukee banks. (2221)

I voted for it and then against it. The same banks that first wrote in favor changed their minds and wrote against; so I switched. (2292)

The bankers in [name] county opposed it; naturally I opposed it because of that. (2841)

Seventeen respondents were free to vote as they wished, because the bankers in their districts were not concerned about this conflict. Every one of them voted for the amendment, but it is significant to note that, not receiving the mail, telephone calls, and telegrams which their colleagues were receiving, many of them consulted with their local bankers to make certain that they were free agents. Typical statements from these respondents were the following:

I went to all the bankers. They didn't object. I don't know anything about banking; so I go to the local bankers. They are against branch banking, but this wasn't branch banking, and they understood that. (2021)

It was a convenience to the banking public. It was not branch banking, not that I oppose that either. I consulted the bankers, and they didn't give a damn. (1032)

I voted for Harry Franke [lobbyist for the amendment], because I was not approached by my bankers. (2241)

I went to the banks and told them this was all right and was not chain banking,



and they didn't feel strongly. So they said I should do as I wished, and I voted for it as a convenience to the public. (2681)

Eleven respondents were in the difficult position of having banks in their districts which favored the amendment and banks in their districts which opposed it. Their responses indicate, perhaps more than the others, the decision-making processes at work:

I voted against the bill at first, because the most vocal spokesman for the county banks was against anything in any way related to branch banking. Then, when the leading banker in the county, where I go myself, favored amendment 1S, I had support for doing what I thought proper. You can't oppose all your constituents, but you can do as you wish if you get some support. (2471)

The local banks were split. The [name] bank was for; they are Republican. The other bank against it is Democrat. I voted for the Republican bank. (2551)

The small ones . . . were against it strong. The big ones were pushing for it. I voted first for the small ones and then, when the big ones pushed, I thought I should vote for it, because of the need for parking. (1572)

There were two local banks. One wanted it and one didn't want it, and then I am close personally to [name of bank outside district]. I find that vote very embarrassing. [Respondent alternated vote on successive roll calls] (1671)

The bank that was for it was rather calm about it. The one against it had arguments. (1542)

Five respondents deserve nominations for profiles in courage. They intentionally voted against what their bankers wanted by voting for the amendment.

It was for public service, and not an argument between banks. (1992)

I voted because of the public need and the parking problems. There was terrific pressure, more than on any other issue. (1421)

The overall pattern of these responses indicates how little concern of the decision-makers was directed toward any interest which the parking or banking public may have had in this controversy. They had much in common with one respondent who consistently refrained from voting on this issue and whose attitude could, therefore, not be tabulated in the table of vote factors. He explained his consistent abstentions as follows:

It didn't mean anything to the taxpayers. It was just a squabble between two groups. I didn't care about it. (1791)

A clear indication that many assemblymen perceived bankers as the only interested parties in this controversy is reflected by noting that approximately 25 per cent of the respondents indicated that they had taken the

initiative in consulting their local bankers on this issue. While many of them, as was pointed out, were those whose bankers had not expressed interest in the subject, it is, nonetheless, significant to note that assemblymen, perplexed by an issue on which they were called upon to make a decision, took the initiative in consulting those who had an immediate interest in the subject. It is further significant to point out that there was little indication of differences between Republicans and Democrats in their attitudes toward bankers. While responses to other questions make it appear likely that a conflict between bankers and labor unions would result in an almost automatic Democratic response on behalf of labor unions, 23 per cent of the Democratic respondents, as compared with 29 per cent of the Republican respondents, took the initiative in consulting bankers in their districts.

This study has indicated that pressures of competing private organizations were effective in influencing vote decisions of legislators. Each of the competing factions was able to persuade or to coerce the majority of legislators whom it contacted to vote for its position. Thus, this study is one method of indicating that interest-group pressures were the most critical factor in determining a legislative roll call. While interviews with many respondents is certainly a more demanding task than merely recording roll calls, it is a method of determining what has influenced vote decisions on bills on which the roll calls alone reveal no patterns.

#### *Russian Biological Journals Being Translated*

Seven biological research journals are being translated from Russian into English and published and distributed "at a fraction of their publication cost" by the American Insti-

tute of Biological Sciences under a grant from the National Science Foundation. The Institute has also translated and published six Russian monographs in biological sciences.

#### *International Organization Fellowship*

The World Affairs Center of the Foreign Policy Association is continuing its program of bringing teachers concerned with international problems to New York for a year's observation and study at United Nations headquarters.

The Center was founded in 1956 in cooperation with the Carnegie

Endowment for International Peace. The fellowship was established by the Rockefeller Foundation to strengthen teaching of world affairs. Information about the fellowships may be secured from offices of the Center, First Avenue and 47th St., New York 17.

# Father Coughlin and His National Union for Social Justice

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FATHER CHARLES EDWARD COUGHLIN, the "radio priest" of Royal Oak, Michigan, had been a controversial public figure for more than three years when, on November 11, 1934, he announced the formation of his National Union for Social Justice. Bitter toward finance capitalism, angry and defiant toward the radical left, and disillusioned with President Roosevelt, whom he had hailed less than a year before as the saviour of American democracy, Father Coughlin promised that his infant organization soon would be the thunderous voice of the restless middle and laboring classes.<sup>1</sup> He assured his radio audience, estimated in the millions, that the National Union for Social Justice would be heeded and obeyed "by every Senator, every Congressman, and every President whom we elect to legislate and execute the laws of this country."<sup>2</sup>

Two years later, by November, 1936, the National Union for Social Justice was politically dead. It ran a brief but colorful career, and perhaps by a review of the salient features of its history we may have a glimpse of the reasons why so massive a plan failed so completely.

The N.U.S.J., as it was abbreviated in this age of initials, was a nonprofit corporation with headquarters in Father Coughlin's Shrine of the Little Flower in Royal Oak. Its charter projected urban and rural subunits in each of the 435 congressional districts. Each unit was to be directed by elective officers subject to the supervision and control of a central Board of Trustees chosen by a majority vote of the corporation. Until such time as a Board of Trustees was selected, the final authority rested with Father Coughlin.<sup>3</sup> When the N.U.S.J. was officially activated, in August, 1936, slight respect

<sup>1</sup> Abraham B. Magill, "Can Father Coughlin Come Back?" *New Republic*, Vol. LXXXVII (June 24, 1936), p. 196.

<sup>2</sup> Forrest Davis, "Father Coughlin," *Atlantic Monthly*, Vol. CLVI (December, 1935), p. 665.

<sup>3</sup> *Social Justice*, March 13, 1936.

was paid to the Board of Trustees. Father Coughlin was unanimously accorded the presidency of the corporation and the membership accepted his rule.

The appeal of the N.U.S.J. was expected to arise from "sixteen principles of Social Justice" to be carried out "by all lawful means." These principles, published in Father Coughlin's weekly newspaper, *Social Justice*, were 1) "The right of liberty of conscience and liberty of education"; 2) "a just and living annual wage" for industrial labor; 3) "Nationalization of all public necessities. . . . By these are meant banking, credit and currency, power, light, oil, natural gas and all natural resources"; 4) "Private ownership of all other property"; 5) the regulation by the federal government of the private manufacture of clothing, food, drugs, and "all modern conveniences"; 6) "Abolition of the 'privately-owned' Federal Reserve banking system and the creation of a government-owned Central Bank"; 7) the corollary duty of a congressional body to coin and to regulate the value of all money; 8) a planned inflation of the currency; 9) "Cost of production plus a fair profit for the farmer," to be met by a three-billion-dollar currency issue and by stimulated farm productivity; 10) federal support for the unionization of labor; 11) "Recall of all non-productive bonds thereby alleviating taxation"; 12) "Abolition of tax-exempt bonds"; 13) more steeply curved graduated income and excess profits taxes; 14) "Simplification of government and the further lifting of crushing taxation . . ."; 15) "In the event of war, a conscription of wealth as well as a conscription of men"; 16) "Preference of the sanctity of human rights to the sanctity of property rights."<sup>4</sup>

Father Coughlin may have borrowed the language and the emphasis upon financial reforms in his sixteen principles from historical American protest movements. Twelve of the principles were nearly identical with the platform of the then active Farmer-Labor Party.<sup>5</sup> A cost of production guarantee to farmers, a central bank, government aid to labor, the abolition of tax-exempt bonds, public ownership of utilities, and the conscription of wealth had been advocated by Wisconsin Progressives since 1922.<sup>6</sup> A majority of the principles, including most of those with American antecedents, however, may be drawn from Pope Pius's XI encyclical of 1931, *Quadragesimo Anno*, from which, it is suspected, Father Coughlin

<sup>4</sup> *Ibid.*

<sup>5</sup> Herbert Harris, "That Third Party," *Current History*, Vol. XLV (October, 1936), p. 80.

<sup>6</sup> Edward N. Doan, *The La Follette and the Wisconsin Idea* (New York, Rinehart & Company, Inc., 1947), pp. 111, 112, 123, 186, 187.

drew his inspiration.<sup>7</sup> The emphasis upon the role of government in the life of the individual at work, the conspicuous absence of the freedoms of speech, press, and assembly, and the failure to mention the social implications of industrial cooperation are each characteristic of the encyclical.

Activation of the N.U.S.J. was planned through a series of twelve conventions in various cities, the first to be in Detroit, Michigan, in February, 1935. Father Coughlin expected to form housewives, laborers, students, and small independent merchants into study groups by occupation or vocation. Members of each group, trained in the principles and in the needs of their occupation, would then organize the urban and rural subunits.<sup>8</sup> At first "indefinitely postponed," the Detroit convention met April 25, 1935. Before a gathering of approximately 15,000 Father Coughlin read congratulatory messages from two United States senators and four congressmen, and, in the key address, proclaimed the aspirations, the sixteen principles, and the function of his corporation.<sup>9</sup> There was no intention for the corporation to be, or to support, a political party, he informed the press, but rather to recommend candidates for public office who believed in the sixteen principles. His own role, he insisted, would be limited; he would withdraw from the N.U.S.J. when it was permanently organized. He would be available to the corporation, however, as a "teacher and interpreter" of the principles of social justice.<sup>10</sup>

The corporation grew slowly, for although early rumors suggested that membership in the N.U.S.J. was roughly correspondent with the radio audience of Father Coughlin, in December, 1935, he called for fifty thousand volunteer organizers for the subunits.<sup>11</sup> In January, 1936, Father Coughlin estimated that the corporation had only a "potential membership of 5,267,000,"<sup>12</sup> and by June he had further lowered his figure. He claimed there were 20,000 active subunits, with a minimum membership of fifty in the urban and twenty-five in the rural.<sup>13</sup> Accepting this claim, and granting a 20-per-cent over-the-minimum membership for each subunit, and further supposing that there were four urban to each rural subunit, there would have been only 1,080,000 members of the N.U.S.J. In view of later developments even this figure seems too high, but it may

<sup>7</sup> "Father Coughlin's Authority," *Commonweal*, Vol. XXII (May 31, 1935), p. 113.

<sup>8</sup> Davis, *op. cit.*, p. 665.

<sup>9</sup> "Coughlin Movement Launched," *Literary Digest*, Vol. CXIX (May 4, 1935), p. 4-5.

<sup>10</sup> *Ibid.*, p. 5.

<sup>11</sup> *Detroit News*, December 9, 1935. For earlier estimates, including Father Coughlin's guess of 8.5 million, see Magill, *op. cit.*, p. 196; Davis, *op. cit.*, p. 665; *Common Sense*, Vol. IV (July, 1935), p. 17.

<sup>12</sup> Magill, *op. cit.*, p. 196.

<sup>13</sup> *Ibid.*

be more realistic than the rumors and Father Coughlin's conjectures.<sup>14</sup>

Requirements for membership were gradually relaxed, probably to attract membership. Initially, any citizen "who believes in and desires to give active support to the principles" of social justice was eligible.<sup>15</sup> A definition of "active support" was not offered, and the vagaries contained within the principles obviously required interpretation. Father Coughlin was the sole interpreter of the sixteen principles, and every member would be expected to accept this ideological dictatorship. Certain groups—Jews, the majority of middle-western and southern Protestants, and all people concerned with the means of promoting democracy—were probably deterred from membership by Father Coughlin's anti-Semitism, his vocation in the Roman Catholic Church, and by the often circulated observation that he sought a government of *jus nocendi*, a government of law by the despot.<sup>16</sup> Membership was, it may be suspected, more urban and Catholic than rural and non-Catholic, and apt to be drawn from outside intellectual circles.<sup>17</sup> Father Coughlin, aware of the social and intellectual handicaps of his corporation, in December, 1935, offered membership to anyone who supported his financial remedies, whatever reservations he might have.<sup>18</sup>

A week after relaxing the requirements for membership, Father Coughlin once again declared the separation of the N.U.S.J. from political parties. When, in March, 1936, however, the members of the corporation requested a list of desirable candidates, Father Coughlin responded quickly, in time for the Ohio primaries in April. His recommendations were generally nonpartisan, but leaned toward urban and Democratic candidates.<sup>19</sup> The endorsees were overwhelmingly nominated. Wrote Father Coughlin in delight:

Its doom cannot long be deferred. Plutocracy has at last come to judgment in the United States. On Sunday afternoon of April 5, a new era in American history was inaugurated by the National Union for Social Justice.<sup>20</sup>

By July endorsed candidates were successful in Massachusetts and Michigan and in local areas elsewhere. After July, "victories" were fewer, but occasional successes, loudly heralded in *Social Justice*, raised the question of

<sup>14</sup> At present no records of the N.U.S.J., are available. If they exist, they might be located in the Shrine of the Little Flower, Royal Oak, Michigan.

<sup>15</sup> *Social Justice*, March 13, 1936.

<sup>16</sup> For comments upon Father Coughlin's political philosophy see the issues of the *Atlantic Monthly*, *New Republic*, *Current History*, *Common Sense*, and the *Literary Digest* previously cited.

<sup>17</sup> This social and intellectual composition was expressed in the anti-Coughlin novel by James T. Farrell, *Tommy Gallagher's Crusade* (New York, The Vanguard Press, 1939).

<sup>18</sup> *Detroit News*, December 9, 1935.

<sup>19</sup> *Social Justice*, March 20, 1936.

<sup>20</sup> *Ibid.*, April 17, 1936.



what effect the N.U.S.J. could have on the national elections in November.<sup>21</sup>

During the height of jubilation in April Father Coughlin proposed a showing of N.U.S.J. strength with a corporation convention to be held in Cleveland, Ohio, August 13 to 16.<sup>22</sup> Cleveland was chosen as the site for obvious reasons. At the time it was host to the Great Lakes Exposition celebrating the city's one-hundredth anniversary. The Republican national convention was scheduled for the city, as was the July convention of Dr. Francis Everett Townshend's Old Age Revolving Pension group before which Father Coughlin, as the featured guest speaker, was to denounce "Franklin Double-Crossing Roosevelt."<sup>23</sup>

Between April and August, a new national political party emerged to challenge public attention. On June 19, 1936, William Lemke, Republican Congressman from North Dakota, announced his candidacy for the presidency under the Union Party. Immediately Father Coughlin, probably with foreknowledge of Lemke's announcement, announced his support of the Union Party. "Behind it will rally agriculture, labor, the disappointed Republicans and outraged Democrats, the independent merchant and industrialist and every lover of liberty," he exclaimed.<sup>24</sup> The N.U.S.J., which sought to appeal to these groups, was not, by Father Coughlin's announcement, officially committed to support Lemke; indeed, Father Coughlin attempted to persuade the public that no political opinion of the corporation would be known until the August convention. The fact remained that the attitudes and opinions of the N.U.S.J. were synonymous with those of its interpreter. Father Coughlin in July predicted that Lemke could count on the support of the N.U.S.J. for ten million votes, and as time for the convention drew near it was evident that the Union Party would have the official support of the corporation.<sup>25</sup>

On August 10, 1936, Walter D. Davis, grand marshal of the convention, announced that "more than 100,000 delegates and visitors will come to Cleveland" to display the power of the N.U.S.J.<sup>26</sup> Membership, represented by two delegates and two alternates from each of the 435 districts, and selected as to vocation, occupation, and age, was never more than 21,000 on a single day. It was predominantly Roman Catholic, urban,

<sup>21</sup>For a review of the "victories" of endorsed candidates, see *ibid.*, May 8, 22, October 26, November 2, 1936.

<sup>22</sup>*The City Record* [Cleveland], April 22, 1936, File number 104188.

<sup>23</sup>Jonathan Mitchell, "Father Coughlin's Children," *New Republic*, Vol. LXXXVIII (August 26, 1936), p. 72.

<sup>24</sup>*Social Justice*, June 22, 1936.

<sup>25</sup>*Ibid.*, July 6, 1936.

<sup>26</sup>The *Cleveland Plain Dealer*, August 11 through August 17, 1936, covered the convention with expected thoroughness, and it is from these issues of the newspaper that the bulk of the information on the delegates, their background, and their behavior at the convention has been gathered.

from the eastern and northern-central states, and representative of lower-income groups. Approximately 40 per cent were women, attracted, probably, by the sixteen principles which in all their vagueness but breadth of scope suggested an attack upon the problem of the budget-minded housewife. The convention, also, filled a social need, and, more important, called a number of women into political life because "its leader gives women a 50-50 break."<sup>27</sup>

Father Coughlin reached Cleveland August 13. To the press he remarked confidently, "Lemke's power is growing," and Landon was without a chance of victory. His optimism seemed only slightly shaken when he was reminded that President Roosevelt was scheduled to appear in the city on the following day. Father Coughlin was certain that his convention would mark a new epoch in American politics.

One characteristic of the convention was an intolerant vilification of the personalities and programs of the New Deal. Senator Rush Dew Holt, Dr. Townshend, and Gerald L. K. Smith were but three of the more prominent speakers to castigate the policies of the Democratic administration. Typical of the comments were those of Alan Blackburn, ostensibly representing the young people of the N.U.S.J. "We want to work and they hand us a PWA pick and shovel—TO LEAN ON. Yes, we are intolerant. After all, this is our America as well as theirs, and we refuse to see America run by these anti-social butchers."<sup>28</sup> Many speakers abused the personality of the President. Blackburn referred to Roosevelt as the "high power crooner of Hyde Park," Lemke likened him to a "bewildered Kerensky," Father Coughlin labelled him a "Communist," and a Cleveland delegate was thunderously approved for her reminder that Father Coughlin had publicly "called those in power liars."<sup>29</sup>

On the other hand, the convention was affectionately centered upon Father Coughlin; it professed belief in him, and vowed to follow him in his every desire. "Father Coughlin, test us," cried one delegate; "try us; lead us!"<sup>30</sup> Only once, when the delegates voted to support Lemke, was there any opposition.<sup>31</sup> Without debate the delegates pledged to support all of the sixteen principles. Resolutions were offered and adopted confirming the wisdom of the principles and of their author. At least one dozen times Father Coughlin was hailed as Christ, and a Maryland delegate

<sup>27</sup> Delegate (Miss) Helen Martin, quoted in *ibid.*, August 16, 1936.

<sup>28</sup> Cited in Selden Rodman, "God's Angry Men," *Common Sense*, Vol. V (September, 1936), p. 9.

<sup>29</sup> *Cleveland Plain Dealer*, August 15, 16, 1936.

<sup>30</sup> Rodman, *op. cit.*, p. 9.

<sup>31</sup> The vote to support Lemke was 8,153 to 1, the lone dissent registered by John H. O'Donnell of Pittsburgh, who was very shortly ushered out of the convention under police protection. *Cleveland Plain Dealer*, August 16, 1936.

proposed: "Resolved, that we give thanks to the mother of the Reverend Charles E. Coughlin for bearing him."<sup>32</sup>

The convention, however, drastically reduced the possibility of the growth of the corporation. Intellectuals, the well-to-do, certain minority groups, and members of respected social, economic, and political associations were repelled by the orgiastic and intolerant tenor of the convention. Not unexpectedly, Jews were made unwelcome when Father Coughlin reminded them:

We are a Christian organization only in that we believe in the principle of "love thy neighbor as thyself." With that principle in mind *I challenge every Jew in this nation to tell me that he does or doesn't believe in it!* I'm not asking the Jews to accept Christianity in all its beliefs, but since their system of a tooth for a tooth and an eye for an eye has failed, I challenge them to accept Christ's brotherhood.<sup>33</sup>

The scarcely concealed denunciation of capitalist competition and the implication of enforced cooperation in such a remark suggested Facism.<sup>34</sup> The presence of Gerald L. K. Smith and Dr. Townshend identified the N.U.S.J. with the so-called "lunatic fringe." The convention had solidified the ranks of the corporation, perhaps, but it had effectively discouraged new members.

During the convention the one-man rule of Father Coughlin had been firmly established. Despite a written constitution, elaborate offices and a Board of Trustees, and the "democratic" procedure of voting upon each of the sixteen principles individually, there was no check upon the absolutism of Father Coughlin. The corporation was his cabal, and the delegates had appeared pleased to accept this fact. Father Coughlin had been elected president of the N.U.S.J. by acclamation. He had appointed the nominees for offices, and had packed the Board of Trustees with friends and subordinates.<sup>35</sup> *Common Sense* was correct when it defined the N.U.S.J. as a closed corporation.<sup>36</sup>

The most significant result of the convention was Father Coughlin's whole-hearted support of Lemke and the Union Party. At Father Coughlin's request the convention indorsed Lemke and Thomas Charles O'Brien for President and Vice-President. At the same time Father Coughlin had

<sup>32</sup> Mitchell, *op. cit.*, p. 73.

<sup>33</sup> Rodman, *op. cit.*, p. 11.

<sup>34</sup> Contemporary suggestions of Father Coughlin's Fascistic tendencies were prevalent. Davis, *op. cit.*, p. 667, compared the N.U.S.J. to the Christian Fascists in Austria. Norman Thomas compared it to the early Nazi party in *Business Week*, n.v. (May 18, 1935), p. 36.

<sup>35</sup> *Cleveland Plain Dealer*, August 16, 1936. Three of the Board were obvious subordinates: Elizabeth Burke, Father Coughlin's secretary; Sylvester McMahon and E. Perrin Schwartz, both frequent associates with Father Coughlin. Schwartz was the editor, and later (1939-1940) nominal owner, of *Social Justice*.

<sup>36</sup> Rodman, *op. cit.*, p. 8.

urged the convention not to indorse the platform of the Union Party, although it was closely modeled upon the sixteen principles. "You should know something about the history of the political parties of this country," he had informed them. "In no instance in the history of the country has any political party ever lived up to the letter or the spirit of its platforms, constructed for the cadging of votes. . . . If there is anyone who desires to debate the question—this being a democratic organization—let him come forward."<sup>37</sup> No one ventured to disagree, and Father Coughlin perhaps felt that should the Union Party fail or should it, in the event of success, turn to other programs, he had provided for withdrawal of himself and the N.U.S.J. from association with it. Yet during the demonstration for Lemke and O'Brien he confided to newsmen, "I will give Lemke and O'Brien 9,000,000 votes in November or I'll quit broadcasting forever. If I can't do that I'm washed up and there is no use going on."<sup>38</sup> The press emphasized this remark, adopting it as the major objective of the N.U.S.J. Father Coughlin, with only slight rewording, headlined his promise in *Social Justice*.<sup>39</sup> He had committed himself and his corporation to a strong November showing by the Union Party, and the election would mark a crisis for both the man and the N.U.S.J.

Throughout the late summer and early fall Father Coughlin stumped the nation in behalf of Lemke and O'Brien, but when the ballots were cast and tabulated President Roosevelt was returned to the White House by a majority of more than ten million votes over Governor Landon. The Union Party received only 891,858 votes. Only one N.U.S.J. endorsee for the Senate was victorious, Ernest Lundeen who campaigned on the powerful Farmer-Labor ticket in Minnesota. Sixty endorsees were elected to the House, only eight of whom were not regular Republicans or Democrats. Seven of these were on the Farmer-Labor ticket. Only William Lemke, now a non-Partisan, and Martin Sweeney, Democrat from Cleveland, were known supporters of the N.U.S.J.<sup>40</sup>

The first postelection issue of *Social Justice* promised that the "NATIONAL UNION WILL CARRY ON."<sup>41</sup> The following week, after acidly commenting that "fewer than 10 per cent of the National Union members lived up to their promises," Father Coughlin decreed that "a one-party form of government has been established in America" and that as a consequence the N.U.S.J. had no further reason to function actively.<sup>42</sup> Almost immediately he regretted his announcement and sought to speak

<sup>37</sup> *Cleveland Plain Dealer*, August 16, 1936.

<sup>38</sup> *Ibid.*

<sup>39</sup> *Social Justice*, August 17, 1936. As in the announcement of his support of Lemke for President, this remark may have been premeditated.

<sup>40</sup> *Ibid.*, November 16, 1936.

<sup>41</sup> *Ibid.*, November 9, 1936.

<sup>42</sup> *Ibid.*, November 16, 1936.

of the N.U.S.J. as merely "sleeping," but quietly in January, 1937, he laid the dormant body to rest.<sup>43</sup>

Why did the N.U.S.J. fail so completely in its objectives? A number of suggestions may be offered: the corporation was founded and dictated to by Father Coughlin, whose temperament and tactics were distasteful to the vast majority of the people of the United States in 1936; the sixteen principles of social justice were vague; vaguer still were the means which Father Coughlin would employ; his Catholic and European coloration were not in accord with the typical American political tradition; finally, Father Coughlin erred gravely in his complete adherence to the Union Party.

Americans are conservative on election day and they hesitate at novelty. The Union Party was popularly identified with discordant elements in American life. The existence of the N.U.S.J. was tied to the Union Party, and the membership, not to mention other Americans, refused their support. The National Union for Social Justice, as a consequence, was laid to rest.

<sup>43</sup> *Ibid.*, January 25, 1937. The "spirit" of the N.U.S.J. did not pass completely out of existence, but was resurrected later in 1938 as the Social Justice Councils, with Father Coughlin as teacher and Walter Baertschi, a successful local realtor and oftentimes associate with Father Coughlin, as national coordinator. *Detroit News*, January 7, 1938. Councils may have been located in Detroit, Cleveland, and Boston. If so, they were disbanded in the winter of 1939. *Social Justice*, March 20, 1939.

### *Behavioral Science-Business Series*

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# Occupation and Upper-Class Formation in Nigeria<sup>1</sup>

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AFRICA IS UNDERGOING TREMENDOUS SOCIAL CHANGE as people on that continent make the "great leap forward" moving rapidly from a traditional bucolic way of life into a more modern, urbanized existence heavily influenced by the western patterns of the colonial relationship.<sup>2</sup> In keeping with an established sociological principle, hierarchies are formed as this transition is made. Some people remain on the bottom; others rise to the top to form the new elite class<sup>3</sup> which will control and operate the new social structures emerging as Africans increasingly assume full responsibility for their destiny. Although many factors are involved in this process of social-class formation,<sup>4</sup> this paper is concerned with an analysis of the

<sup>1</sup> This paper is based on data gathered during a field trip to Nigeria in 1957-1958, financed by a grant from the Ford Foundation, assistance from the Crossroads Africa Project of the Morningside Community Center in New York City, and a Grant-in-Aid from the Social Science Research Council. The data were collected through long, intensive, personal interviews with selected individuals, the use of questionnaires, research in published sources in Africa, Europe, and America, and in consultation with students of African affairs both here and abroad.

<sup>2</sup> For some idea of social change taking place in contemporary Africa see the special issue on "Urbanism in West Africa," of *The Sociological Review*, Vol. 7 (July, 1959).

<sup>3</sup> Hugh H. and Mabel M. Smythe, "Black Africa's New Power Elite," *The South Atlantic Quarterly*, Vol. 59 (January, 1960), pp. 13-23. In this paper elites are used generally as defined by Nadel, "A group whose superiority rests on special acquired skills and talents; a group whose superiority is traditional and quite possibly unspecialized; and a group constituting a reservoir of skills and talents of all kinds. The concept of elite as it is exemplified in sociological literature is indeed employed in this broad sense, and even more broadly." S. F. Nadel, "The Concept of Social Elites," *International Social Science Bulletin*, Vol. 8 (No. 3, 1956), p. 414.

<sup>4</sup> Hugh H. Smythe, "Social Stratification in Nigeria," *Social Forces*, Vol. 37 (December, 1958), pp. 168-171.



influence of occupation in the formation of an elite in Nigeria, the territory on the African continent with the largest population—estimated at more than 35 million. The analysis is based on a sample of 156 individuals interviewed in the field and 956 Nigerians listed in the national biographical collection, *Who's Who in Nigeria*.<sup>5</sup>

The dominance of high government position in the occupations of the elite (including elective positions, which may be temporary) is shown by the fact that 113 of the 156 persons interviewed are government officials or office-holders (Table 1), 110 of them in the regional or federal governments. This figure of 113 does not include government clerical

TABLE 1

Occupations of 156 Upper-Class Nigerians, 1958

| Occupation               | Total Number | Government-Connected | Not Government-Connected |
|--------------------------|--------------|----------------------|--------------------------|
| Educator*                | 37           | 28                   | 9                        |
| Lawyer                   | 25           | 18                   | 7                        |
| Business Man             | 19           | 12                   | 7                        |
| Traditional Ruler        | 9            | 9§                   | —                        |
| Physician                | 8            | 5                    | 3                        |
| Journalist               | 8            | 6                    | 2                        |
| Government Administrator | 8            | 8                    | —                        |
| Clerk                    | 6            | 4§                   | 2                        |
| Politician               | 5            | 4                    | 1                        |
| Judge                    | 4            | 4                    | —                        |
| Trade Unionist           | 3            | 1                    | 2                        |
| Farmer                   | 3            | 3                    | —                        |
| Clergyman†               | 3            | 1                    | 2                        |
| Pharmacist               | 2            | 2                    | —                        |
| Accountant               | 2            | 1                    | 1                        |
| Miscellaneous Vocations‡ | 14           | 7§                   | 7                        |
| Total                    | 156          | 113                  | 43                       |

\* Includes both teaching and administrative personnel.

† Includes two bishops.

‡ Anthropologist, architect, athletic director, author, banker, court registrar, dentist, economist, engineering assistant, mission worker, oculist, printer, secretary to emir, zoologist.

§ Includes one local government functionary.

employees or those employed in government educational institutions, although school teachers and members of the faculty at the University College in Ibadan were interviewed. Of the total group, 96 were members of federal or regional legislatures; 40 of these were also government ministers. All four federal and regional prime ministers (Nigeria is divided into

<sup>5</sup> *Who's Who in Nigeria: A Biographical Dictionary* (Lagos, The Nigerian Printing and Publishing Company, 1956).

three regions—Eastern, Western, and Northern—and a federal district—Lagos) were interviewed. Twenty-three held major civil service, judicial, or government corporation or commission posts.

As is suggested by the prevalence of this group, people prominent in the federal and regional governments are among the most respected and admired in Nigeria. To a lesser degree, those holding office on lower levels of government are also accorded a measure of importance in their local communities. The position of the government functionaries, almost identified with upper social class status in the colonial period, was enhanced by the attainment of domestic self-government, which added to a position of trust an even greater measure of responsibility and autonomy.

Although in Nigeria as a whole the elite government group is small, being confined to perhaps 2,000 people in the previously mentioned high-status positions, these people are the wielders of power, the ones who determine the destiny of the nation and set policy which affects the lives of some 35 million. There is practically unanimous acknowledgment by people from all walks of life that the government elite is really "the" elite in contemporary Nigeria.

The largest single occupation, included in our sample, if the holders of political office are classified by their permanent occupations, was that of educator—teaching and educational administration on all levels. In this category there were 37, of whom 24 were members of federal or regional legislatures. The second largest group was 25 lawyers, a reflection of the long-standing respect for the legal profession and of the importance of law as a springboard to politics—both of which encourage the selection of law as an area for concentrated study on the part of promising students. Sixteen of the lawyers were also legislators. Third in size was the business category, with 19 persons, some of whom had had other vocations before investing in business enterprises; thirteen of these were legislators. Of the three groups, educators could claim proportionately the greatest amount of government activity; the other two ranked second and third with somewhat less.

The 9 traditional rulers, constituting the fourth largest class, were all government functionaries; the only one who was not a member of either the federal or regional legislatures or of the House of Chiefs in the Northern and Western Regions (there is no House of Chiefs in the Eastern Region) held a high position in the government of one of Nigeria's largest cities.

Of the 40 government ministers in the sample, there were 15 educators, 6 lawyers, 3 business men, 3 traditional rulers, and 3 journalists. The others were physicians, clerks, politicians, farmers, a pharmacist, and an ac-

countant. The 23 persons who held major government posts, other than those who considered themselves as permanent government administrators, were (in order of importance) physicians, judges, and journalists. One each of the following also held a high government post: educator, lawyer, clerk, and clergyman.

If the occupations are grouped by types—the professions, government and politics, clerical and technical work, farming, and miscellaneous vocations—the dominance of the professions is apparent. Education, law, medicine, the clergy, journalism, pharmacy, and miscellaneous professions claim 90 persons, 57.7 per cent of the total (Table 2). The correlation would suggest that the surest occupational road to top social status is training in a profession and then election to public office.

TABLE 2

Occupations of Two Groups of Elite Nigerians

| Occupation                  | Study of 156<br>(1958) |          | <i>Who's Who in Nigeria</i><br>(1956 edition) |          |
|-----------------------------|------------------------|----------|---|----------|
|                             | Number                 | Per Cent | Number  | Per Cent |
| Professions                 | 90                     | 57.7     | 340   | 35.6     |
| Government and Politics     | 28                     | 18.0     | 374*  | 39.1*    |
| Business                    | 19                     | 12.2     | 113   | 11.8     |
| Clerical and Technical Work | 13                     | 8.3      | 59  | 6.1      |
| Farming                     | 3                      | 1.9      | 28  | 2.9      |
| Skilled Labor               | —                      | —        | 11  | 1.2      |
| Miscellaneous Vocations     | 3                      | 1.9      | 31  | 3.2      |
| Totals                      | 156                    | 100.0    | 956   | 100.0    |

\* Includes 126 who listed occupation solely as "legislator" and 18 as "government minister," both of which categories were omitted from the other sample in favor of listings of permanent occupations. If these are omitted from the category of "Government and Politics," the total for this group is 248 and the percentage 26.9.

Medicine and law have always carried superior prestige in Nigeria, and their supremacy among the professions is still unchallenged, except that they now share top honors with the 42 Nigerian members of the faculty at University College in Ibadan. Members of the teaching profession in the regular schools are often poorly prepared and below professional rank. Clergymen of elite rank are few. The Christian sects which planted their roots in Nigeria were long led by foreign missionaries who only very recently have begun to install Nigerians in high ecclesiastical posts. Thus the indigenous Protestant and Catholic clergy holding such high rank as bishops, elders, regional and national secretaries, and heads of large

churches, church-supported schools, or other religious agencies are few, despite a total Christian population which is estimated at 6 million.<sup>6</sup> Only three of those interviewed fell into this category.

The limited but increasing number of persons trained in other professions, such as dentistry, engineering, and the social and natural sciences (there is only one Nigerian physicist in the country at this writing), have augmented the professional group. Nevertheless, in all of Nigeria there was in 1958 but one professionally qualified psychiatrist and not a single psychologist; there were only 3 dentists in the whole of the Eastern Region and 3 lawyers in the vast Northern Region;<sup>7</sup> persons trained as sociologists, historians, chemists, engineers, scientific agriculturists, anthropologists, economists, political scientists, geographers, geologists, upper-level social workers, and the like were so few as to be inconsequential. One other profession coming into being in Nigeria today is that of the professional diplomat. Since fewer than 50 have been posted overseas for training, mainly in Britain and the United States, as a group they deserve mention chiefly as potential for the future.<sup>8</sup>

Eighteen per cent, or 28 persons, interviewed considered government and politics their major vocation. Business claimed 19, or 12.2 per cent; clerical and technical work 13, or 8.3 per cent. Farming accounted for only 3, or 1.9 per cent, of the 156 elite, despite the overwhelming importance of agriculture in the economy.<sup>9</sup> The miscellaneous item is made up of 3 trade union leaders who comprised 1.9 per cent of the total.

The fact that only about 12 per cent of the elite in both groups are identified with business enterprise has two interrelated explanations: first, business is at present undervalued as a social function; second, businesses in Nigeria are, in general, so small that there are few businessmen of distinction who deserve recognition on a par with others of the upper-class group, except in cases where business is something of an avocation activity for persons already established in the professions or other

<sup>6</sup> Estimated memberships for religious groups in Nigeria are to be found in *Nigeria: Report of the Commission Appointed To Enquire into the Fears of Minorities and the Means of Allaying Them* (London, H.M.S.O., 1958), pp. 11, 35, 54.

<sup>7</sup> This refers to lawyers as understood in the western meaning of the term. In the Northern Region the *Akalis* are the interpreters of Muslim law; the North is predominantly Muslim in faith.

<sup>8</sup> A communication from Dr. C. O. Ifeagwu, Assistant Secretary, External Affairs, Nigeria Liaison Office, Washington, D.C., dated January 20, 1959, states: "There are now 26 Nigerians in the foreign service; of this number 25 are under training. The Prime Minister stated recently that he expected about 40-50 to be fully trained by the date of independence" (October, 1960).

<sup>9</sup> A recent report makes clear that agriculture is the present basis of Nigeria's wealth and points out that about 75 per cent of the population are engaged in agriculture. *Economic Survey of Nigeria* (Lagos, Federal Government Printer, 1959), p. 1.

lines of work; this situation is perhaps the result of the difficulty of obtaining capital if one does not first have a relatively lucrative position. Both explanations have demonstrable validity; however, the second would seem to have the greater effect upon the composition of the upper class.

As yet industry is not a major contributor to the national income of Nigeria<sup>10</sup> and there is only a nucleus of a business elite, defined as those engaged in private enterprise of substantial proportions in terms of investment and capital holdings. Business in Nigeria has long been and still is in the hands of foreigners: British, Syro-Lebanese, Greeks, French, Indian, and a few other nationalities including, in recent years, a handful of Americans. It is only recently that Nigerians have attempted to try their skill in the competitive world of big business. Petty traders and shopkeepers have been and still are numerous, and there have been and still are several cocoa farmers who might be looked upon as people of substantial holdings. But business enterprises comparable in size to those operated by foreign companies have been alien to the indigenous entrepreneur.<sup>11</sup>

The underrepresentation of farming may come from much the same causes as that of business; however, in this case there is an additional explanation: farming in the traditional fashion is popularly thought to require little or no education, hence the tendency of the educated to look elsewhere for employment. In addition, the indigenous system of land tenure makes it difficult for an enterprising and informed farmer to carry into effect modern methods of improving yield and increasing efficiency in the use of resources.<sup>12</sup> (It should be noted that plantation or large-scale farming was not a part of the British colonial system in Nigeria.)<sup>13</sup> Thus the farmer can rarely be "successful" in the western sense of the word. Both "mammy" traders (women who operate in the local market) and

<sup>10</sup> *Ibid.*, p. 5.

<sup>11</sup> *Investment in Nigeria: Basic Information for United States Businessmen* (Washington, ULSL Department of Commerce, 1957), chapters 4-5; Bank of England, *United Kingdom Overseas Investment* (London, 1956); Bureau of Foreign Commerce, *Report: The 1959 United States Trade Mission to Nigeria, May 9-June 24, 1959* (Washington, U.S. Department of Commerce, 1959); P. T. Bauer, *West African Trade* (Cambridge, Cambridge University Press, 1954).

<sup>12</sup> T. Olawale Elias, *Nigerian Land Law and Custom* (London, Routledge and Kegan Paul, 1953). See especially pp. 88-172.

<sup>13</sup> Independent Nigeria, however, anticipates the development of agricultural plantations, according to Chief M. S. Sowole, Chairman of the Industrial Promotions Commission of Western Nigeria, who said in New York on March 30, 1960: "The government development corporation is welcoming foreign investment not only in industrial enterprises, but in the agricultural field, so that joint exploitation by foreign and Nigerian capital will open up new plantations and . . . a new Marketing Board Law will permit a joint plantation venture. . . . Among the crops to which this policy will apply are oil palm, rubber, and other suitable crops, including bananas, pineapple, citrus, and coconuts." Release from Nigeria Office, 575 Lexington Avenue, New York City.

farmers are usually excluded by a lack of education from the upper class, regardless of their financial acumen or prosperity.<sup>14</sup>

As for trade unionists, artisans, and clerical and technical workers, the identification of these with modest-class status tends to discourage able, aspiring young educated people from looking to these areas for a permanent career likely to make possible the attainment of distinction which confers upper-class status.

It is hoped that this brief analysis of occupation and upper-class formation in Nigeria may be useful in the general study of social stratification. As yet very little is known about the new class patterns in modern urbanized Africa, and, because of the increasing importance of Africa to the world in general, this area of research needs to be expanded. As Nigeria and other African nations attain independence and settle into a less rapidly changing existence, occupational shifting will undoubtedly take place. This material can provide, in a preliminary way, some basis for comparative studies of upper-class group formation in other African territories.

<sup>14</sup> W. R. Bascom, "Social Status, Wealth and Individual Status Among the Yoruba," *American Anthropologist*, Vol. 53 (October-December, 1951), pp. 490-505; P. C. Lloyd, "Cocoa, Politics, and the Yoruba Middle Class," *West Africa*, January 17, 1953.

### *Cornell Studies Navajo Health*

Researchers from the Cornell University Medical College, New York City, are seeking to improve notoriously poor health conditions among the Navajo Indians by training grade school educated Navajo to serve as field auxiliaries to physicians and public health nurses.

The group, under Walsh McDermott, Livingston Farrand Professor of Public Health and Preventive Medicine, calls the men and women of these roving, four-member health teams "health visitors." Each team is equipped with a car and radio-telephone and is headed by a single nurse or doctor.

The plan is serving as a pilot project for the Indian Health Division of the Public Health Service and receives considerable financial support both from the United States Public Health Service and from the Navajo tribe itself.

The Navajo is the largest of the remaining American Indian tribes, and its culture is remarkably intact. About 85,000 Navajo are scattered over the Southwest portion of the United States, between the Grand Canyon and the Rocky Mountains—a rough country with poor communications and a climate of extremes.



# Book Reviews

*Edited by*

H. MALCOLM MACDONALD

W. BURLIE BROWN: *The People's Choice*. Baton Rouge, Louisiana State University Press, 1960. 178 pages. \$4.00.

This well-written and thoroughly delightful little book traces the evolution of the campaign biography from 1824 to the present. Since these biographies were written to help candidates win the presidential nomination and election, and since no one after James Monroe has been elected president without being subject of one or more, their ideas and ideals must be related to some extent to those current in the American society of the time.

Instead of viewing the choice of a president as the result of a clash of personalities, a clash of economic interests, or a debate on those questions usually vaguely referred to as "the issues" Brown considers it a search for a symbol that will represent the entire complex of ideals and beliefs revered by the American people. Each author of a campaign biography has attempted to present his subject as the embodiment of that symbol. From his examination of hundreds of these biographies Brown shows that a composite picture of the ideal American, thus the ideal candidate, emerges.

This paragon should have a spotless

ancestry, dating back to tyranny-hating, Old World forebears who fought in the cause of political and religious liberty. His childhood was happy, though often poor. If, unfortunately, he should have wealthy parents he was never spoiled and from an early age was determined to make his own way in the world. Of course, he was almost invariably bright and studious but never a "grind."

A period of military service is highly desirable, but preferably as a citizen-soldier who was summoned from his peaceful pursuits to save the Republic in its time of need. Then like Cincinnatus he returns to his civilian duties where he further prepares himself for statecraft.

As a training ground for statesmanship farming is almost idyllic. Even when hard put to do so the authors of campaign biographies attempt to establish their hero's connection with the soil. If a lawyer, he is presented as "an unselfish handmaiden of justice and champion of the oppressed." No matter what his background he must, in this business civilization, be a sound businessman who knows the value of a dollar and, who is, of course, always efficient.

He is a politician, but never a "professional" politician. His innocent ap-

prenticeship in the evil political world is usually at the insistence of the electorate, who practically drag their shining knight into the dirty political arena as their champion.

In writing this book, Brown, who is an Associate Professor of History at Tulane University, has not only made a considerable contribution to the folklore of politics but has also given us a relevant chapter in the social history of the United States.

The book includes a few illustrations, a selected list of campaign biographies, and a short, excellent bibliographical essay.

Dick Smith  
Tarleton State College

LEONARD REISSMAN: *Class in American Society*. Glencoe, Illinois, Free Press, 1960. 436 pages, \$6.75.

In this systematic analysis of class, the predominant theme is the assertion that although the individual is not chained to his position with unequivocal finality, classes do exist in America. The author notes, however, that the concept *status* is more acceptable to the average American than *class*, especially so because of our "antiaristocracy" traditions. The slow rise of class consciousness is linked to these antiaristocracy traditions, to the early frontier psychology, the protestant ethic, antiradicalism, and urbanization and industrialization.

The methodological problems involved in class research are discussed in Chapter 4, followed, in Chapters 4-6, by a penetrating analysis of the most pertinent class-oriented empirical stud-

ies. Only four major theories of social stratification are analyzed, those of Marx, Weber, Parsons, and Warner, since they are regarded as representative of everything pertaining to class that is of any significance. Although not exhaustive, the analysis is quite thorough and reveals considerable insight. The special limitations of each theory are noted as well as the fact that, thus far, no theory is universal in applicability. The author, however, is more successful in disclosing the limitations of current theories than he is in developing a theory which circumvents such limitations. He merely offers in brief outline form a speculative theory concerning the pattern of change in class systems. Actually the term *hypothesis* should be used, since the idea has not been empirically tested, nor, for that matter, can it be subjected to rigorous testing.

Although the analysis of theories is important, the book is not so much the presentation of a theory as it is a historical description of the transition from one form of aristocratic elite to another. Industrialization, urbanization, and the consequent rise of the middle class are seen as the major forces that break up the older form of aristocratic elite. In the latter stages of the industrial order, economic power, political power, and status and prestige tend to converge and to become concentrated in the hands of a new aristocratic elite. This explanation, of course, tells us nothing about the origin of the older aristocratic elite in the first place, but the approach does provide a useful framework for analyzing class change within a relatively short segment of human history. The author focuses attention upon the need for a theory of class

and provides an excellent review of the literature.

Byron E. Munson  
*The Ohio State University*

CHARLES S. HYNEMAN: *The Study of Politics: The Present State of American Political Science*. Urbana, Illinois, University of Illinois Press, 1959. 232 pages. \$4.50.

"This essay is addressed to graduate students," writes Professor Hyneman by way of beginning *The Study of Politics*. "My aim is to tell young men and young women some things it may be good to know about the profession they intend to enter." In certain measure Hyneman succeeds in this worthy intention, for his essay certainly transmits with an authentic ring some notion of the conflicts, confusion, and doubts which characterize the professional study of politics today. The prospective graduate student may, if stouthearted, be better prepared for the discussions which await him in political science classes, in literature, and at professional meetings. Students in quest of more certainty on the other hand, may be tempted to turn to other fields—an outcome for which the state of the profession, not Professor Hyneman, would have to be blamed.

Called in under the sponsorship of the Carnegie Corporation to examine the corpus of political science, Dr. Hyneman finds the patient far from well and suffering from a variety of complaints. Indeed, Hyneman finds, we may have here the sick man of the social sciences, for political scientists are sharply divided on such fundamental

matters as the nature of the "political," and what they understand by "science," i.e., over the substance and methodology of the profession. In dealing with the question of the substance and limits of the field, Dr. Hyneman displays considerable determination, skill, and basic consistency. He attempts to delimit the study of politics to what he terms "legal governments," and, however inadequate this particular formulation may be, his extended discussion of certain aspects of the work of Easton, Lasswell, and Catlin represents a laudable attempt to come to grips with the problem. Somewhat less successful is his attempt to explicate the meaning of "science," or "scientific method," which he appears to understand essentially as the "conscientious, careful, systematic attempt to find out what actually exists and goes on . . ." But "barefoot empiricism" is not enough, as the author recognizes, and his entire essay is interlarded with a running commentary and many random observations on scientific method. In this connection, Hyneman might well have heeded his own warning: "I am aware of the risk incurred in making either casual or studied statements about what scientists do and what science is." He might better have left untouched many of the problems of scientific method, rather than to have treated them inconclusively. Unsatisfactory as this aspect of his presentation is, it will still be of some use to graduate students in that it presents in microcosm the discussion taking place within the profession as a whole today. It faithfully mirrors the uncertainties, confusion, and misunderstandings among the disputants, while providing the student with an overview, however uncritical, of

portions of the relevant bibliography.

The essay terminates with the question, "What Shall We Do with the Classics?" Hyneman's restatement of a debate, which is based on inadequately stated positions, suggests that the first step requisite to dealing adequately with the question of the classics is to *read them!* Indeed, the chief benefit of this entire essay may well be found in its encouragement to graduate students to become immersed in a careful, first-hand study of the literature by way of undertaking for themselves the more adequate study of politics.

Robert H. Horwitz  
Michigan State University

FELIX MORLEY: *Freedom and Federalism*. Chicago, Henry Regnery Company, 1959. 274 pages. \$5.00.

At a time when the state of the union is being weighed and the values of our heritage are being questioned, the American public needs reassurance, and such reassurance Felix Morley gives in his book *Freedom and Federalism*. This thoughtful and stimulating study is intended to challenge citizens of the United States to recognize that federalism is the foundation stone of their freedom and liberty, that it will serve them in the future, and that it may be used by men everywhere to bring their political institutions into line with the needs of an atomic age.

In putting the federal system into its perspective, the author relates federalism to democracy by showing how its founders used it to interpose a power

between the citizen and the exercise of the sovereign authority, this balanced federal structure being designed to protect minorities, "right down to the minority of one, the individual," against the majority. The author then moves on to the concept of a general will and shows how its expression can result in dictatorship, best illustrated by the Marxists.

Morley takes time to explain that federalism and democracy are not antagonistic, but that the American system does include undemocratic aspects which operate to maintain political balance and thus to guarantee freedom. Consideration is given to how this balance has been upset by the Fourteenth Amendment (guaranteeing the rights of citizenship) and the Sixteenth Amendment (establishing a federal income tax), and the suggestion is made that a president's effort "to make democracy succeed" and the unlimited praise and practice of political democracy can result in dictatorship, even in the United States.

The author points out that since the Civil War much centralization has taken place in the Federal Republic. However, this centralization has made little impression on the state-based system of American politics. This and other similar factors tend to impede and reverse the movement, operating to illustrate that federalism still has great vitality. In conclusion, Morley says that the maintenance of the Republic is at bottom a moral issue: "Without faith the Constitution falls."

This book deserves careful reading by the scholar and lay person alike. It provides the comprehensive analysis of federalism necessary to the stabilization

of one's political thinking in these changing times.

A. L. Tatum

Northeast Louisiana State College

MORTON LEVITT: *Freud and Dewey on the Nature of Man*. New York, Philosophical Library, Inc., 1959. 180 pages. \$3.75.

The task which Levitt sets for himself in this lucid monograph is to compare the psychologies of two great thinkers who are generally regarded as having little in common except a joint interest in the field of human behavior. Freud and Dewey were both born in the late 1850's, both were trained in an intellectual environment offering many common elements, and both later became popular controversial figures in the field of psychology. Yet neither, apparently, was concerned with the works of the other; at least neither ever mentioned in print the name of the other.

Levitt is mainly concerned with showing that Freud and Dewey have more in common than is customarily supposed. Beginning with a short biographical sketch of each, he reviews the great thinkers (such as Plato, Darwin, and T. H. Huxley) who were influential in shaping the broader philosophical and scientific perspectives of the two men. He then devotes almost a third of the book to describing and documenting the specific intellectual sources from which Freud and Dewey apparently acquired the basic concepts which went into their theoretical systems. It is the similarity in many of these basic concepts which serves as the foundation for

Levitt's thesis that Dewey and Freud are much closer in their thinking than is generally acknowledged.

Levitt's interpretation has considerable merit when the various concepts of each man are compared individually. He is most successful in comparing the earlier Dewey (circa 1886) with the Freud of any time after 1900. However, the later Dewey who wrote *Human Nature and Conduct* reveals few obvious affinities with Freud, a fact which the interpretation recognizes. Mr. Levitt brings the similarity back into the picture, however, by making his interpretation at a higher level of abstraction. This reviewer is inclined to doubt that the resemblance holds true when the broader theoretical configurations respectively developed by Dewey and Freud are taken as the basis for comparison. Furthermore, the theoretical significance of the various concepts used by the two men is not the same. While Freud acknowledges the relevance of the social factor in conduct, he does not assign it the central position it occupies in Dewey's works.

These strictures are not intended to imply that Levitt has failed in his task, which was to compare the two men in a search for hitherto unexplored similarities. He has succeeded quite well, not only in establishing interesting parallels between the two men, but in tracking down the intellectual sources from which Dewey and particularly Freud borrowed extensively in developing their theories of behavior.

Charles D. Whatley, Jr.  
University of Oklahoma

TALCOTT PARSONS: *Structure and Proc-*

*ess in Modern Societies*. Glencoe, Illinois, Free Press, 1960. 344 pages. \$6.00.

DON MARTINDALE: *American Social Structure, Historical Antecedents and Contemporary Analysis*. New York, Appleton-Century-Crofts, Inc., 1960. 521 pages. \$6.00.

These two books point up one of the thorniest problems in sociological theory today—that of conceptualizing social changes in terms that are congruent with the established body of concepts about social systems and structures. Although both writers deal extensively with problems involving social change Parsons' interest is subsidiary, almost incidental, to his concern with structure while Martindale is primarily concerned with historical change.

Parsons' admirable but compulsive striving to integrate concepts of social structure into a body of compendent propositions contrasts strangely with his sensible but unsystematic speculations about social change. He employs a profusion of terms, such as professionalization, industrialization, specialization, institutionalization, diffusion, growth, differentiation, and integration, on low as well as high levels of abstraction. On the other hand, Martindale's primary theoretical objective is the development of an integrated conceptual model for analyzing historical change. For this purpose he stresses the dynamic dimension of the social system as tending toward stability, but never attaining equilibrium because disturbances are internally generated or arise out of altered relations with its environment.

Martindale, unfortunately, contributes to the terminological confusion that hampers communication among sociologists and between them and other scholars by choosing the word "community" to refer to this process. Furthermore he applies this model of the community-building process to non-territorial social categories including classes, elites, and ethnic groups as well as territorially based regions, cities, villages, and neighborhoods. He goes so far as to assert that most rural and urban localities in the United States are no longer "true" communities. In this respect Martindale and Parsons are moving in opposite directions, for the latter's book includes a paper systematizing a structural model of the community explicitly differentiated from other social systems by its territorial location.

Over and above this minor problem of terminological confusion Martindale has taken a significant step toward developing a coherent model for analyzing historical events. He presents the proposition that wherever there is prolonged interaction of large numbers of people, communities (i.e., social systems) emerge through processes that tend toward stability, consistency, and completeness. Supplementing these primary principles of community formation he posits secondary processes that arise out of the combined action of primary processes. Of these he discusses only the secondary principles of closure, extracommunity innovation, and social differentiation. However, he does not explain the process of their emergence and he leaves his theoretical model unfinished. Moreover, he overlooks a basic means of community integration



recently described by British social anthropologists: the formation of social bonds based on common interests that cut across local groups.

In addition to the theoretical significance of his work, Martindale has produced a textbook of original conception. Unlike most current writers on United States society he focuses on the central features of business enterprise and the national state, instead of on the innocuous peripheral problem areas. The work is divided into parts based on a logical classification of social systems—regional, rural, urban, ethnic, and class—rather than on the customary division by major social institutions. He illuminates contemporary society from the perspective of history supplemented by comparisons with other cultures.

This book should fill a long-felt need for a text on American society that comes to grips with large problems. In addition to its appeal to sociologists it should meet the needs of teachers who use a sociological approach in the presentation of American Civilization courses and courses in the social and economic history of the United States.

Parsons' book is a collection of ten papers written between 1953 and 1959, all but one of which have appeared in print, but in books and periodicals not easily available. Their publication together makes accessible recent refinements and applications of his general theory of society. The author provides the reader with helpful comments on the intellectual setting and background for these papers in his Introduction and Bibliographical Notes.

In the judgment of this reviewer Parsons is most convincing when he uses general concepts to interpret con-

crete cases, as in his analysis of McCarthyism and his discerning discussion of the role of professionals in bureaucracies. When he launches on extended theoretical discourses without empirical anchorage the validity of his statements is often questionable. For example, there is ample evidence to contradict his assertion that "every subsystem within the society has its patterns of authority," since, in American society, many voluntary associations, clubs, and cliques as well as classes, elites, and ethnic groups lack patterns of authority.

However, the impressive versatility of the man is revealed in the range of subjects analyzed in these essays. He trains his illuminating intellectual power on mass and nationalistic movements, presidential elections, industrialization of non-Western societies, human ecology, religious organization, and social strata. He personifies the high value which sociologists, in contrast with most of their academic colleagues, place on being generalists rather than specialists. Parsons is the epitome of the complete sociologist.

E. Jackson Baur

*The University of Kansas*

MICHAEL J. BRENNAN: *Preface to Econometrics*. Cincinnati, South-Western Publishing Company, 1960. 418 pages. \$6.50.

For years we have needed a textbook for economists with weak mathematics but strong motivation, a text which might take them in a year or less to the point of departure for the formal

courses in mathematical economics or econometrics, which would enable them to handle some of the articles in journals like *Econometrica*. Of recent years a combination of two books has accomplished this task after a fashion: Beach's *Economic Models* and Tintner's *Mathematics and Statistics for Economists*. Professor Brennan does this combination one better by further compressing the instruction within a single set of covers.

The result may be the answer to our prayers. It is brief without incomprehensibility; the "B" student (and the instructor 20 years away from graduate school) can read most of it and be ready for serious econometric or mathematical-economic work. It avoids duplicating the course ahead, and the *rigor mortis* variety of mathematical rigor is almost entirely absent. At the same time, there is due apology when proofs are omitted, or formulae and methods served up *a la* cook-book. Finally, it has been proofread; a first perusal failed to disclose those irritating misprints which raise the nervous-break-down rate among readers of textbook first editions.

Brennan's book is divided into five parts. Part I deals with the elementary mathematical formulation of economics. Its first five chapters are devoted largely to a review of high school mathematics in its application to economic principles; presumably they serve largely as review material. Chapter 6 is an introduction to determinants and matrix notation (but not matrix operations). Part I is weak in that it offers too much elementary review material, and not enough on logarithms and exponentials. Its limitation to first-

order difference equations is also unnecessary. Part II is devoted to what Keynes called the economist's "little potted calculus." It is a standard elementary treatment, with fewer proofs than usual but with some use of the determinants developed in Part I. Part III, an introduction to econometric models proper, commits a serious sin of omission (for a book published in 1960). Input-output and programming models are omitted; they should have served to apply the matrix algebra that should have been included in Chapter 6. Part IV, on statistical inference, is on a more sophisticated level. It attempts to stuff five chapters with rather more meat than the first two undergraduate statistics courses and it should not be attempted by readers without some background in statistics. Part V, finally, takes up more advanced topics in model construction and interpretation (including the identification problem in Chapter 23). The last two chapters introduce for the first time actual examples of econometric research, prior illustrations and problems having been hypothetical. The impression left in Chapter 23 is that more advanced econometrics will solve all policy problems and make economics a science. This overoptimism might have been corrected by consideration of an example of econometric failure, such as the "postwar forecasts" of 1945-1947.

Brennan's logic, unlike his mathematics, tends to be careless. He treats as a "fact" the maximization of utility; he claims a hypothesis is "proved false" if observed facts contradict predictions drawn from it (although the "observed facts" may in practice be questionable statistical estimates); he claims that

mathematical expression renders all one's assumptions explicit, and almost serves as stupidity insurance. "From the viewpoint of a statistician" the probability of a male birth is  $1/2$ , even though "the relative frequency of male births [is] higher." The bibliography is also careless. Among the omissions are standard works by Domar, by Dorman, Samuelson, and Solow, by Klein and Goldberger, by Leontief, and by Henry Schultz. Some of the inclusions are equally questionable, as are some of the classifications as "elementary" rather than "advanced."

The publisher's sharp knife may have made some unfortunate cuts—the elimination of any applications of matrix theory, for example, or the statement of identifiability conditions as arbitrary rules, although they might have been illustrated easily from his own examples. Such cuts should have come in the first five chapters, which might have been compressed to problem sets for the student to work before going further.

Martin Bronfenbrenner  
University of Minnesota

FLOYD HUNTER: *Top Leadership U.S.A.* Chapel Hill, The University of North Carolina Press, 1959. 268 pages. \$6.00.

Floyd Hunter, a sociologist and Professor of Social Work at the University of North Carolina, is the author of *Community Power Structure: A Study of Decision Makers* and a coauthor of *Community Organization, Action and Inaction*. In this latest study, *Top Leadership U.S.A.*, he has applied on a

nationwide scale the methods used in his previous works for discovering the power structure and leadership of the local community, in an attempt to ascertain if "there might be an informal pattern of opinion leadership and policy-making at the national level of activities comparable to the sort found in any large community." In communities the top leaders, representing the largest local industries, banks, law firms, commercial houses, and newspapers around whom cluster "a fringe group of ranking politicians, educators, clergymen, and occasionally one or two labor leaders," he states, "have the ability to move in coordinated ways to get things done" or to block community action. "If," then, "some of the men at the community level of power patterns are oriented to national affairs, are these men in touch with similar men in other key cities and do they provide the nation with a pattern of policy-making and decision-making that is comparable to that found at the local level? This was a basic question guiding the present research."

That such power structures exist locally, regionally, nationally, and even internationally would seem to be self-evident and their existence would seem to have been proved by much previous research. Whether or not the methods the present writer uses for tracing and identifying such an informal national leadership in the United States are entirely adequate is doubtful. Hunter's book unquestionably makes some contribution toward a more exact understanding of this highly important matter, but it is equally unquestionable that other fact-finding techniques and much more work will be needed if the clear

outlines of a national power structure are to be ultimately revealed.

O. Douglas Weeks  
The University of Texas

H. G. BARNETT: *Being a Palauan*. New York, Henry Holt and Company, Inc., 1960. 87 pages. \$1.25.

JOHN BEATTIE: *Bunyoro: An African Kingdom*. New York, Henry Holt and Company, Inc., 1960. 86 pages. \$1.25.

C. W. M. HART AND ARNOLD R. PILLING: *The Tiwi of North Australia*. New York, Henry Holt and Company, Inc., 1960. 118 pages. \$1.25.

E. ADAMSON HOEBEL: *The Cheyennes: Indians of the Great Plains*. New York, Henry Holt and Company, Inc., 1960. 103 pages. \$1.25.

OSCAR LEWIS: *Tepoztlan: Village Mexico*. New York, Henry Holt and Company, Inc., 1960. 104 pages. \$1.25.

These five descriptive works mark the appearance of a new series, *Case Studies in Cultural Anthropology*, edited by George and Louise Spindler. Attractive covers, good printing, well-chosen illustrations (photographs or line drawings) and maps to orient the reader are some of the features which promise that the series could set a new style in anthropological publications.

The authors share one trait, infrequently found among writers in this field, the ability to make their material live. The books are not only good, they are interesting. There has been, however, no attempt to force a common

format or theoretical orientation on the several contributors and the approaches are as varied as the locales. All of this is done with a minimum of jargon and with explanations of the few technical terms used.

Barnett, in his *Being a Palauan*, does not employ the conventional ethnographic descriptive scheme but presents his data in the categories which the Palauans themselves recognize, a refreshing departure from the standard ethnography. Palauan response to successive domination by Germans, Japanese, and Americans points to the need for additional study on how successive adjustments differ from single instances of acculturation.

Beattie, in his *Bunyoro: An African Kingdom*, employs a more conventional social-anthropological approach with historical perspective added. His arresting comparison of social relations in feudal England with social relations in feudal Bunyoro is excellent.

Hoebel summarizes his portrayal of the puritanical, self-controlled, idealistic Cheyenne by an abstraction of the sixteen postulates on which they based their "Cheyenne Way."

Hart and Pilling have not only given a most readable account of what it means to be an island Tiwi of northern Australia but have indicated areas of divergence from mainland Australia.

By combining evidence from history, archeology, and three anthropological studies stretching over almost thirty years, Lewis draws fresh insights on culture change from the well-turned soil of Tepoztlan.

These authors have published material previously on the groups whose social relations they describe in their

monographs. The data here presented represent new syntheses directed to a somewhat different audience. Because of the clarity of presentation and paucity of technical jargon, the books would be particularly suitable for the nonprofessional reader or for the beginning student—not to imply that the advanced student or the professional should be denied the pleasure of reading them. Teachers of anthropology will find that they fill a present need for ethnographic case studies which are oriented to the interests of modern cultural anthropology.

Harold L. Amoss, Jr.  
University of Colorado

WALTER GALENSON AND SEYMOUR MARTIN LIPSET (eds.): *Labor and Trade Unionism: An Interdisciplinary Reader*. New York, John Wiley & Sons, Inc., 1960. 379 pages. \$6.50.

This book could be produced "only in America." One of the underlying stimuli which produced it is the "publish or perish" rule that characterizes United States higher education. The pattern has become a familiar one. One of the many learned societies, or one of their innumerable branches, holds a meeting. Papers are read at the meeting, then published in the proceedings, and finally collected in a book of readings such as this.

Another stimulus is the absence of a basis for common discourse among social scientists. Until the social sciences split off from their mother, philosophy, and developed into highly specialized disciplines, there was an essentially common basis of knowledge, and it was

possible for men to carry on and participate in a common discourse. This is no longer possible, and the sense of frustration which the narrowly specialized labor economist, for example, feels in the midst of the vast amount of information and data in his field alone, is compounded exponentially when he contemplates the even greater volume of information in other areas, most of which impinges on and affects his own subject matter.

Neither of these stimuli is adequate justification for using scarce resources to produce the book under review. That the first is not, hardly needs stating. Attempts to restore the basis for common discourse, even in labor economics, are not only doomed to fail, but are based on the mistaken notion that the absence of such a basis is a bad thing. On the contrary, this absence is due to the unparalleled growth and development of science, physical and natural and social, that has occurred in the past one hundred years. We must cease to long for the good old days when everyone in the sciences—then an infinitesimal fraction of the population—was well informed about what went on, and when there was a completely common basis of knowledge. Every social scientist must be content with knowing well only a small part of one subject and with the resulting deep sense of knowledge and of ignorance.

The editors rationalize their efforts by stating that undergraduates need to know what is being done to develop their respective disciplines, and by implying that this will stimulate and inspire the undergraduate. The reviewer holds that most of what appears in the learned journals, and the material in

this book, will be incomprehensible to undergraduates, and will certainly stifle all interest. The undergraduate should be thoroughly immersed in the works of Adam Smith, Veblen, Marx, Freud, William James, and other truly great social scientists, including such contemporaries as Galbraith and Mills. Their deep and broad insights and magnificent prose are more likely to stimulate and arouse interest among undergraduates than the narrow concerns and turgid prose of a modern labor economist or industrial psychologist.

This is not to imply that investigations and studies made by highly specialized social scientists are unimportant and unnecessary. Many such studies are significant contributions to the growing body of social science, but it is a crime and a mistake to require or expect undergraduates to read them. Let this be part of the price graduate students must pay for their Ph.D.'s.

Ernest F. Patterson  
Davidson College

EMILY COOPER JOHNSON (ed.): *Jane Addams: A Centennial Reader*. New York, The MacMillan Company, 1960. 330 pages. \$6.00.

It is fitting that this collection of writings by Jane Addams should come from the press during the year of the centennial celebration of her birth. This champion of the poor, pioneer in health, welfare, and social work, instigator of child-labor legislation, founder of the Women's International League for Peace and Freedom, and winner of the Nobel Peace Prize in 1931, might well be considered "A Profile in Courage."

The reading of *A Centennial Reader* has been sheer pleasure. Since the reviewer started social work practice in a social settlement patterned after Hull House, a sense of nostalgic memories of visits to Hull House while Miss Addams was alive accompanied the reading of this volume. Miss Addams set a high standard for social workers for all time to come.

The contents of the book include a Prefatory Note on Jane Addams' Life, an introduction by Associate Justice William O. Douglas, and extracts from writings by Miss Addams on Social Work, the Position of Women, Child Welfare, The Arts, Trade Unions and Labor, Civil Liberties, and International Peace. These extracts date from 1910 through 1935, the year of Miss Addams' death at the age of seventy-four.

This anthology of selections from Miss Addams' writings illuminates the character of the woman. Beset by illness during the major part of her life, she yet attained the spiritual strength necessary to rise above her human frailties. As the preface states, "Some of the social problems to which Miss Addams addressed herself are now largely solved; the integrity, intelligence, and indomitability which she applied to her own world are undated principles of public service."

This book is recommended for use by social work educators, social work students, graduate and undergraduate, social work practitioners, sociologists, psychologists, citizen supporters of social welfare programs, and historians. Students of social movements will not only catch the vigor and faith of the pioneer but understand the beneficence



of the life of a woman dedicated to the ideal of brotherhood. Her tolerance for those who challenged her pacifist beliefs in times of war, and her sublime singleness of purpose in hearing and answering the cry of humanity in need offer inspiration for all readers.

Lora Lee Pederson  
The University of Texas

LOWRY NELSON, CHARLES RAMSEY,  
AND COOLIE VERNER: *Community  
Structure and Change*. New York,  
The MacMillan Company, 1960. 464  
pages. \$6.50.

The "community," defined as a system of relationships among the people living in a local area, lies between the "neighborhood" and a "society" both in size and in the number of needs it satisfies. The function of the study of the community is to understand how it behaves and how it can be changed to solve human problems, and an understanding of the interrelated parts is necessary to achieve this purpose. Relationships which are characteristic of communities regardless of location or size are the subject of this book. There is little reference to rural or urban aside from the chapter on space relations.

The authors present a theoretical explanation of both the structure and the function of the community. Structure is explained through relationships, designated as elements, within and between the various social institutions in informal groups and formal organizations, and through patterns of behavior, termed dimensions, which include such topics as the value system, social stratification, power and leadership, and age of the community. The

last section of the book discusses social change and community development.

The book is intended for readers with, or without, a knowledge of sociological terminology. Therefore, since the book explains elementary sociological concepts it reads much like any general introductory sociology text. Explanations indicate how the concepts apply to the community, but the intent is to describe the community through the understanding of general sociological theory. Illustrations are given in the form of quotations from various studies, both rural and urban, but the larger number tend to be descriptions of small communities. This is the means by which research findings are included in the text. There are no graphs or charts, and only a few tables or statistical materials.

The book is well organized and logical in its presentation. Headings and subheadings make it easy to follow and will aid its usefulness as a text. Each chapter ends with a very clearly stated set of principles which have been developed in the preceding pages.

Esbelyn Davis  
Texas Woman's University

WILLIAM S. RAY: *An Introduction to  
Experimental Design*. New York,  
The Macmillan Company, 1960. 254  
pages. \$6.50.

In seventeen chapters, Professor Ray introduces the reader to his formulation of experimental design, beginning with some rather unsophisticated statements, going through some complex Greco-Latin designs, and ending with a discussion of some special problems. The topics are treated statistically, of course,

and include comments on "random variation," "assumptions" as well as "basic statistics." In context, his chapter on "incorrect decisions" is especially good. He treats analysis of covariance under the heading of "adjusting" and suggests that this technique is an appropriate substitute for matching of subjects in the design. He clearly prefers matching and repeated treatments to covariance.

As a text, this book is brief enough to permit the instructor to make some contributions of his own. In textbook writing, this is a particularly difficult aspect to control: to make the book so perfectly clear that little or no formal discussion is needed, or to structure it in such a way that the instructor makes a notable contribution. Those who like to have the entire argument systematically given and who like to have their students work will find this an acceptable text. Those who like such detail as to constitute virtual spoon-feeding will find much to quarrel about.

Its brevity limits its utility for those practitioners who would like a book from which they could develop an appreciation for the subject matter. Its sketchy presentation leaves much for the individual to do; and of this I approve. Even though numerical examples are given regarding the computation, not enough attention is given to making substantive sense out of the various procedures. Early in the book, the author suggests that "common sense" is necessary; and, with the definition of common sense given in the text, it is unfortunate that this theme could not have been systematically exploited.

A fairly sophisticated social scientist will be able to make good use of this

book on his own. But those who are lacking in fundamental statistics, I fear, will find such use impossible. That which makes it a usable textbook—its brevity—makes it difficult to "read on one's own." Moreover, the thorough commitment to psychology will make it difficult for those of limited background to translate the examples into interesting problems in their own field. The use of elliptical formalism, while "correct," limits the field of those who can use the book without instruction.

In general, the author seems committed to the development of a theoretical point of view, yet he insists that substantive information is necessary for the design of experiments (though he doesn't really show how the two fit together). There is a certain looseness in writing that could rouse some unnecessary antagonisms, and when he writes, he takes a philosophical position not at all easy to defend.

To the extent that the various properties of the model correspond to reality in the experimental situation, to that extent will the use of the model produce knowledge. If there is no correspondence between the model and reality, then the use of the model—perhaps it is better called *misuse*—does not and cannot contribute to knowledge.

It is not clear just what this quotation says. It seems to require a knowledge of "reality" prior to any experiment, which renders the need for any experiment questionable.

Despite lapses of this kind, this book will find a place in many personal libraries.

Roy G. Francis  
University of Minnesota

ARNOLD VAN GENNEP: *The Rites of Passage*. Translated from the French by M. B. Vizedom and G. L. Caffee. Introduction by S. T. Kimball. Chicago, University of Chicago Press, 1960. 198 pages. \$4.50.

The present vogue for the translation into English of the works of early French and German sociologists has now been extended to include Van Gennep's *Les Rites de Passage*, first published in 1908. In its day, this contribution was a major stepping stone in the development of social anthropology: it ordered and placed in proper focus a number of functionally related ritual practices that previously had been treated as disparate and isolated fragments. Van Gennep's central thesis was, and to some extent still is, of first-rate importance. It establishes that variegated rituals have a similar function in many different societies—to wit, symbolically and socially to effect the transfer of individuals from one life condition or one social status to another—and further, that the rites of passage include rites of separation (terminating the prior status), rites of transition (marking the transference in status), and rites of incorporation (completing embodiment in the new status).

Once the usefulness of Van Gennep's schema has been recognized, little more can be said for his book, for it is ethnologically crude, artless, and boring. The author is hypersensitive to questions of classifications and given to fragmentary cataloguing of snippets and bits from an anthropological grab bag. Thus, in one short paragraph on the separation rites of divorce are found

references to the Jews, Dogon, "classical antiquity," Eskimo, Chuvash, Cheremiss, Mordvinians, Votyaks, and the Voguls. In the very next paragraph we get Java, the Galla, Zaramo, and Nyoro. When the author protests against those who extract data from context, and when he declares that ceremonies are to be examined in their entirety, he is, it is true, propounding principles that became working canons of Malinowski and Radcliffe-Brown and through them of modern functionalism. But they were not guiding principles in his own work.

E. Adamson Hoebel  
University of Minnesota

WILLIAM A. JENKS: *Vienna and the Young Hitler*. New York, Columbia University Press, 1960. 252 pages. \$5.00.

The title of this work is somewhat deceptive; in reality the book is a description of the political, social, and cultural conditions obtaining in Vienna preceding and during the period of Hitler's residence. It is thus an essay in Viennese history through which the figure of the future Fuehrer moves only as a vague shadow. At no time does the author give us an analysis in depth of Hitler as a personality nor is any serious attempt made to connect him directly with the events narrated.

Professor Jenks does present in a pleasing narrative style the atmosphere of Vienna at the turn of the twentieth century plus the assumption that Hitler by his physical presence in the city must have been influenced to some degree by it. Of particular interest is the au-

thor's reconstruction from contemporary sources of the operatic and musical offerings available to the young Hitler. Since we know from *Mein Kampf* and from Kubizek's memoirs that Hitler was a passionate devotee of the musical arts it is of value to learn precisely what programs and performers he had the opportunity to hear.

The author's discussion of the politics of Karl Lueger, the Christian Socialist Mayor of Vienna, and of Georg von Schönerer, the leader of the Pan-German movement is commendable. Both of these men were known to Hitler who analyzed their strengths and weaknesses in *Mein Kampf*. The Jewish Question is given a fair and penetrating treatment and the author likewise demonstrates a sympathetic understanding of the position of Franz Joseph and the complex problems confronting his regime. However, the treatment of the Austrian Social Democracy is somewhat cursory.

In summary, as a convenient and readable introduction to the mood of Vienna of the 1900's the book is of value. It fails, however, either to make a significant contribution to the complex problem of the development of Hitler's personality or to add substantially to our knowledge of Austrian history.

H. Malcolm Macdonald  
The University of Texas

MICHAEL A. HEILPERIN: *Studies in Economic Nationalism*. Geneva, Librairie E. Droz, 1960. 230 pages. 20 fr.

*Economic Nationalism* consists of

two almost equal parts. The first part has not been published before and is the subject matter directly pertaining to the title. The second part consists of articles on various subjects published previously.

It is the contention of Heilperin that all through history any attempt by man to order his economic system has resulted in acts of economic nationalism. Economic nationalism causes an international misallocation of resources which otherwise would be automatically and correctly allocated. Heilperin then arranges and "destroys" his favorite "straw men"—advocates of conscious ordering of the economic system. His particular favorites for attack are Keynes and Fichte.

In Heilperin's book the argument is contentious and exasperating. Those who have reacted violently to the one-sidedness of presentation in the author's previous publications can be assured that this work will be even more objectionable, because in his analysis he makes use of concepts, such as collectivism, liberalism, and *laissez faire*, which are fraught with emotion and varying interpretation.

The author is careful to differentiate between economic *laissez faire* and economic liberalism. When defining his concepts he is favorably committed to economic liberalism as a desirable ideal for analyzing and evaluating historical occurrences and national and international economic policies. Subsequently, however, he consistently uses the word liberalism in the meaning which his own definition had given to *laissez faire*. From this very simple confusion, Heilperin's analysis degenerates into a polemic which allows him

to be unkind in a most unscholarly manner to particular ideas and individuals alike. Apparently his intent is to demonstrate that some scholars and their ideas are not only misguided but dishonest in contrast to the Knight-errant Heilperin. On page 118 he accuses Keynes of dishonesty and on page 133 attacks James Meade for consistently using gross exaggeration. To those who are acquainted with the work of James Meade, the suggestion that Meade typically uses the technique of gross exaggeration to make a point will call in question the objectivity of one who makes so rash an accusation. The "meanness" of the reviewer in mentioning such points in a review of a "scholarly" work is in keeping with the author's approach to the subject matter of the book.

For the reasons noted above it is difficult to comment on this book in the usual manner, that is, to assess the extent to which the author has objectively convinced the reader of the appropriateness of the analysis and conclusions.

The reviewer appreciates Heilperin's desire to take fullest advantage of the benefits of international specialization and is grateful for the attention he has drawn to a little-known economic work on autarchy by Johann Gottlieb Fichte, *Der Geschlossene Handelsstaat* (Jena: Gustav Fischer Verlag, 1800).

Joel W. Sailors  
University of Houston

GEORGE B. DE HUSZAR (ed.): *The Intellectuals: A Controversial Portrait*. Glencoe, Illinois, Free Press, 1960. 543 pages. \$7.50.

One of the most apt observations

which might be made concerning the validity of this anthology of pieces by, about, and presumably for intellectuals is made by the editor in his excellent introduction: "Bertrand de Jouvenal has pointed out that as against the attention devoted to various social groups such as workers and the bourgeoisie, 'very little has been devoted to the intellectuals as such, even though their influence is unquestionable and a formidable advance in their numbers has occurred with the advent of universal education and universal information.'"

The book thus aims at being a "controversial portrait" of intellectuals by themselves, their role relative to their society, to ideology, etc. How is the effort developed and how well is it completed? For the most part, well indeed.

For one thing, the outline around which the selections have been made, while not extremely original, gives important coverage to both thought and action: the Emergence of Modern Intellectuals; the Nature of Intellectuals; Types of Intellectuals—the Intelligentsia, Philosophers, Men of Knowledge, and the Artist; the Role of Intellectuals; Intellectuals and Modern Ideologies; and Intellectuals in Various Countries.

In addition, the selections have been made as Editor de Huszar indicates, somewhat with the diversity of a modern newspaper: some are editorial in character, some reportorial, and some analytical; some are serious pieces, and a few mainly amusing. An "overview" by the editor introduces each major section. These are neither particularly brilliant in style nor profound in insight, but they do explain something

of the relevance of the intellectual to the category which follows.

Actually, the worth of the volume is in the sixty-six selections themselves which, even though some hypercritical intellectuals may argue that some should have been omitted and others have been inserted, nevertheless comprise a list of pieces sufficiently sparkling, irritating, penetrating, incisive, and amusing to make up a volume which those who presume to be intellectuals will find worth giving as a present to a friend. There are few enough books these days of this kind.

It also contains a brief identification of each contributor and has a well-made name index.

John Paul Duncan  
University of Oklahoma

ALEXANDER HEARD: *The Costs of Democracy*. Chapel Hill, The University of North Carolina Press, 1960. 471 pages. \$6.00.

A veritable encyclopedia, this book culminates a half-dozen years of liberally financed research on spending in American political campaigns. Students and lecturers on American politics will find many uses for it. Nearly every study of campaign financing is summarized, and practically every entertaining anecdote of two centuries of storytelling is contained within it. A large number of personal interviews with politicians around the country, detailed presentations of what some official records contain, and some fresh analysis of sample survey material broaden the areas of our knowledge.

The work, despite its title, treats

only of the costs of election campaigns, which are but a small part of the costs of democracy. It would be unfortunate, moreover, if one considered the work definitive in either a theoretical or practical sense. It is definitive only with respect to conventional fact. The most original and theoretical chapter is that on fund raising and party cohesion where the *terra incognita* of transfer of funds among various party committees is explored. But many another opportunity for advancing political science, as against political *lore*, is passed over. The work is like a new but conventional car, with better brakes, wider wheel base, etc., where we might well have had a truly new car design. The author might have helped himself through the thickets of detail if he had adopted a more logical approach through use of definitions, major and minor propositions, evidence presented in order of its validating power, etc., *à la* Lasswell and Kaplan, and March and Simon. Lacking such a system, a myriad of low-level generalizations float through the book, and both important and minor evidence go along together without distinction.

The answer to the question "Does Money Win Elections?" is inconclusive: a set of factors is presented but the analysis of their interaction is disappointing. The extensive statement on why people give is not a profound or dynamic analysis of the psychology of giving. Moreover, available survey materials are not subdivided by socio-economic and religious categories. The analysis of giving by groups is scarcely inspired; the term, "functional representation" is used, but it is just a phrase and is not precisely qualified as to ex-



tent or kind. Foreign comparisons are *pro forma*. One may question the use of materials on the organization and functions of a campaign, since they must be unoriginal, brief, and somewhat irrelevant. And why are the rare Minnesota data not more thoroughly exploited by a "before and after" study to test the effect of the law?

The text is garrulous: it repeats itself; it carries a flood of footnotes that often might be placed in the text just as the text might be placed in the footnotes. Suggestions of "good" methods of control over spending crop up here and there. They are neither disavowed on grounds the work is value-free, nor set forth in detail according to some ethical position that the author might hold. The last sentence of the book suggests that no fundamental change in the processes of campaign finance will occur without a highly informed public. More practical, in this reader's opinion, would be a new presentation, by the accomplished and thoughtful author, of a set of alternatives for public decision. It is possible that the author is politely refraining from inflicting upon readers some small shocks that would be caused by his considered philosophy of money in politics. His kindness may be misplaced.

Alfred de Grazia  
New York University

WALLACE C. PETERSON: *The Welfare State in France*. Lincoln, Nebraska, University of Nebraska Press, 1960. 115 pages. \$1.60.

The scope of this study is more limited than the title might suggest.

Through an analysis of the incidence of taxes in the French system and the distribution of welfare services over the various income groups, the author attempts to reveal the extent to which the French welfare program is effecting a redistribution of real income. The particular welfare services under consideration are family allowances and the insurance schemes designed to afford financial protection in cases of sickness, maternity, disability, old age, retirement, industrial injuries, and occupational diseases. Throughout the study an effort is made, wherever appropriate, to compare the French data with that of the United Kingdom and, to a lesser degree, the United States.

In drawing conclusions from his analysis, Professor Peterson cautions that generalizations concerning the impact of social welfare programs in France on real-income distribution are hazardous, particularly in light of the heavy French reliance on "hidden" and indirect taxes for financing public expenditures. With this qualification in mind, he does suggest that there is evidence for concluding that the French welfare services are being financed largely by the income groups which benefit most from them, or to put it in another way, are least able to pay for them. Moreover, he infers from the French and British data that there is a direct correlation between increasing governmental reliance on indirect or regressive taxation and the extent to which the government undertakes to provide welfare services. For these reasons the author remains "somewhat agnostic with respect to the efficacy of the welfare state as an instrumentality for effecting any revolutionary change

in the distribution of income," and believes that "productivity remains the real key to economic well-being . . ." He does, however, concede that a stable social order, which might be promoted through certain welfare services, is essential to advances in productivity.

However, even if one accepts the author's conclusions as universally valid, social welfare programs might still be justified not only in terms of promoting a "stable social order," but also in terms of at least two other considerations. Although the financial burden of welfare services may not be substantially shifted onto the shoulders of those best able to finance them, it is still possible that the costs of the services are kept lower than if they were provided largely under private enterprise. Moreover, value judgments aside, it can be argued that compulsory welfare programs tend to compel many improvident individuals to achieve certain levels of protection, which they might not voluntarily provide.

A minor criticism can be lodged against the author because of his references to the family allowances program as "the most original" and "really unique" feature of the French social security system. Without his explaining the use of such descriptive terms, the reader is left with the mistaken impression that France is the only country having a family allowances scheme.

Ronald F. Bunn  
The University of Texas

REINHARD BENDIX: *Max Weber: An Intellectual Portrait*. New York, Doubleday & Company, Inc., 1960. 480 pages. \$5.75.

"Max Weber is a name to conjure

with in modern social thought." With this sentence Reinhard Bendix begins his systematic presentation and analysis of the entire corpus of work on which this indubitably accurate evaluation is based. In giving us this book, a treatment distinguished by his own high competence, he has done us all a signal service.

For the truth is that, much as we admire Weber, his writings have never been as accessible as we should like. There are several reasons for this, among which is the obvious fact that only recently have the larger portions of them been translated into English and the additional fact that Weber's prose was never easily read by those of us whose German is an academic achievement rather than a native tongue. Even in English Weber has presented rather formidable obstacles. There is his generous inattention to the organization of discourse, his rather total disregard for the niceties of style, his treatment of the same subject in widely scattered writings, and finally "his mastery of the qualified phrase and the dependent clause."

All this, however, Reinhard Bendix has corrected—and magnificently corrected too. We now have a unified, comprehensive, and beautifully organized view of Weber's very great contributions. After a brief sketch of Weber's career and general intellectual orientation Bendix presents his main discussion in three major parts. The first of these deals with the early studies of German society, and the Protestant ethic; the second moves into the comparative study of the religions of China, India, and ancient Palestine, and comes around to Weber's image of society;

and the third discusses in lucid detail Weber's political sociology and his sociology of law—studies on which he was working at the time of his death. A short conclusion entitled "A Contemporary Perspective" ends the study.

Professor Bendix modestly suggests that much of his book is exposition. This, of course, was precisely what was needed—provided that the exposition could be done by Bendix. But it is not all exposition. Professor Bendix is also an astute and erudite critic, and he includes many penetrating discussions of his own, correcting emphases he regards as erroneous and placing Weber squarely in the orthodox tradition of German thought. We are greatly in his debt.

Robert Bierstedt  
University of Edinburgh

CLIFFORD S. GRIFFIN: *Their Brothers' Keepers: Moral Stewardship in the United States, 1600-1665*. New Brunswick, New Jersey, Rutgers University Press, 1960. 332 pages. \$6.00.

Perhaps the time will come when graduate researchers in American history will no longer find the Calvinist-inspired reform movements so amusing, but it is not yet here. Mr. Griffin's slightly tongue-in-cheek attitude does not inspire confidence in his purpose of recognizing these "trustees" of America's morals in their correct perspective. The implied criticism that these stalwarts were after all only misguided buffoons does not reach the heart of the problem.

This is not meant to deter historical

authors from finding humor where humor is, and—heaven knows—much of the deadly prose of historical research could stand the light touch where it is appropriate, but—were the Calvinist trustees so hilarious?

As Mr. Griffin points out in the most interesting part of his book—a commentary on authorities and bibliography—a real analysis of what reformism meant and means in American history has not yet been written. Significantly he makes this comment in the last chapter of his book.

O. A. Grant  
Tarleton State College

WILLIAM F. KENKEL: *The Family in Perspective*. New York, Appleton-Century-Crofts, Inc., 1960. 472 pages. \$6.00.

EVERETT M. ROGERS: *Social Change in Rural Society*. New York, Appleton-Century-Crofts, Inc., 1960. 490 pages. \$6.75.

The similarity of these two textbooks lies chiefly in the fact that each aims at meeting the needs and demands of the users, teachers and students, and that each makes structural-functional analyses of one level of group behavior.

The subtitle of Kenkel's book is "A Fourfold Analysis." Maintaining that most textbooks in the study of the family have presented discrete findings of unidisciplinary research and analysis, the author brings together four approaches in an attempt to demonstrate to the "beginning" student in the family that these approaches do not necessarily have opposing frames of reference. The historical-comparative approach to the study of the family is fol-

lowed by the institutional analysis in Part II, in which the basic functions of childbearing, childrearing, and regulation of sexual behavior are discussed with respect to changing values in contemporary United States. The third approach is that of family interaction, based on the concepts of *family life cycle* and *developmental tasks*. Finally, the psychoanalytical frame of reference is presented. A discussion of normal personality development points up the significance of early family influences. Other chapters deal with normal and abnormal (not "perverted") personal behavior throughout the family cycle.

*Social Change in the Rural Society* developed out of the author's own experience in teaching rural sociology and the findings of a survey of content for such beginning courses being offered throughout the United States. The survey revealed the need for a more comprehensive approach to all aspects of rural life, sans regional bias and couched in more sophisticated sociological concepts. Beginning with an apt discussion of the *modus operandi* of the changing rural society, he orients rural sociology to the entire discipline and to science. Then, the sociological conceptual framework relevant to rural life is discussed with respect to these relationships: personality development and culture, individual-group interaction, social stratification, and individual status. Part III presents the dynamic role of each institution in the changing rural picture. For instance, Rogers devotes appropriate space to the role of the rural minister in the slowly adjusting and declining rural churches. In discussing the evolution of the farm economy, he calls the changes "from

independence to agribusiness." Finally, the effects of change are shown in the increasing social problems of the rural community, in growing communication and technology, in the problems of population redistribution and superabundance of production. Both regional differences and foreign development are stressed in the projection of present trends into the future rural society.

Sarah Frances Anders  
Mary Hardin-Baylor College

WILLIAM N. CHAMBERS AND ROBERT H. SALISBURY (eds.): *Democracy in the Mid-Twentieth Century*. St. Louis, The Washington University Press, 1960. 151 pages. (no price given).

HARRY R. DAVIS AND ROBERT C. GOOD (eds.): *Reinhold Niebuhr on Politics*. New York, Charles Scribner's Sons, 1960. 364 pages. \$6.50.

*Democracy in the Mid-Twentieth Century* consists of an introductory essay by Professors Chambers and Salisbury of Washington University and a series of papers by Professors Beer and Hartz of Harvard, Epstein of Wisconsin, Lindbloom of Yale, and Pennock of Swarthmore.

The papers center around problems of twentieth-century democracy in England and the United States and all are in agreement that something is sadly amiss in our contemporary appreciation of what constitutes democracy in theory and practice. Professor Hartz comments on the void between our accepted eighteenth-century "image" of Democracy and the actualities of current democratic practice. The continuance of this

schizophrenic attitude on the part of democracies' defenders can only lead to a weakening of their cause both as a meaningful articulation of a political theory on the domestic scene and as an international commentator for the allegiance of mankind. He suggests as a remedy a cold-blooded reanalysis of the content of the democratic creed in terms of its accomplishments and limitations.

Professor Beer contrasts the development of operational democracy in England and the United States and concludes that modern conditions make inevitable the appearance of what he calls "collectivist democracy." He offers some shrewd and able comments on the role of pressure groups, trade unions, and political parties in modern society and concludes that the British Cabinet System performs a better and more realistic job of solving the problems facing twentieth-century democracy than does our American federal structure.

A comparison between economic and political democracy is introduced by Professor Lindbloom. Assuming the "price system" as operative in the economic sphere and as productive of democratic solutions to economic problems, he relates it, by analogy, to the political sphere. His conclusion is that in both the economic and political areas it is possible to reach rational decisions without the aid of a centralized "overview." He premises as a useful "model" (i.e. theory), against which democratic practice may be tested, a society characterized by internal pluralism and decentralized decision making. Amongst his various observations his criticism of Mill's thesis of the "power elite" is worthy of attention.

The problem of leadership in a democracy is analyzed by Professor Pennock. This problem can be solved, in his opinion, given the present complexities of an industrial civilization, only by developing a "quasi-organic" society characterized by a considerable amount of pluralism. In some ways his views are not dissimilar to those advanced some years back by Professor W. Y. Elliot under the rubric of the "co-organic state." Pennock's position is similar to Lindbloom's and in manifest disagreement with that of Beer.

Professor Epstein discusses democracy and foreign policy and ponders the role that the public may be expected to play in policy formulation. In general he admits the impossibility of direct popular participation and seems to incline to the views of Walter Lippmann. He feels however that a great deal more research will have to be done before conclusive answers can be given to the problem.

All of the contributors plead for a more detailed and scientific examination of the problems of democracy than has been undertaken in the past. In numerous asides they suggest specific topics on which research might be fruitfully undertaken. In short, the collection as a whole is both informative and stimulating, underscoring as it does the crying need for a re-examination and re-evaluation of democratic principles and goals in light of the realities of the twentieth century. On our ability to undertake this job and do it well may hang the fate of the Western concept of a society of free men.

Reinhold Niebuhr, who has been engaged in writing on politics for many decades, is recognized as one of the

leading theologians of our time. No other American has equalled the depth of his perception of the tensions which both tear apart and bind together the contemporary individual and the society of which he finds himself a part. Unfortunately for the student Niebuhr's writings have been scattered through a score of books and innumerable articles so that to master them required the availability of a library of the first class.

To remedy this defect the present editors have collected under appropriate headings the essential thought of Niebuhr on politics. In so doing they have performed an outstanding editorial job, catching the spirit and continuity of his thought and at the same time doing justice to its depth and complexity. The compilation reads well, it systematizes Niebuhr's approach, it affords a guide to further reading, and it introduces us to one facet of the author's speculations. To this extent the job is well done and merits our applause. On the other side it must not be viewed as a completely adequate substitute for reading the sources from which the extractions have been made. A return to the library is still essential for one who would know Niebuhr well. The chief value of the present collection is that it constitutes, in a sense, an introduction to Niebuhr and one so well managed by the editors that the reader will be hard pressed not to proceed further and explore on his own the Niebuhr corpus. The more such individual exploration is undertaken the better for the future of our western intellectual heritage and for the maturing of an understanding of the role of "The Children of Light and the Chil-

dren of Darkness" in meeting the tensions and frustrations of modern contemporary political life.

H. Malcolm Macdonald  
The University of Texas

## Other Books Received

December, 1960

- Adams, Richard N. and Jack J. Preiss (eds.): *Human Organization Research Field Relations and Techniques*. Homewood, Illinois, The Dorsey Press, Inc., 1960. 456 pages. \$6.95.
- Anthony, Robert N.: *Management Accounting Text and Cases*. (rev. ed.). Homewood, Illinois, Richard D. Irwin, Inc., 1960. 671 pages. \$7.50.
- Bainton, Roland H.: *Early Christianity*. New York, D. Van Nostrand Company, Inc., 1960. 187 pages. \$1.25.
- Bonner, Thomas N., Duane W. Hill, George L. Wilber: *The Contemporary World: The Social Sciences in Historical Perspective*. Englewood Cliffs, New Jersey, Prentice-Hall, Inc., 1960. 591 pages. \$7.95.
- Buchanan, James M.: *The Public Finances: An Introductory Textbook*. Homewood, Illinois, Richard D. Irwin, Inc., 1960. 553 pages. \$10.00.
- Carroll, John J.: *Alternative Methods of Financing Old-Age, Survivors, and Disability Insurance*. Ann Arbor, University of Michigan, Institute of Public Administration, 1960. 187 pages. \$3.50.



- Chartbook of Texas Business, 1960.* (6th ed.). Austin, Bureau of Business Research, The University of Texas, 1960. 74 pages. \$3.00.
- Cobban, Alfred: *In Search of Humanity: The Role of the Enlightenment in Modern History.* New York, George Braziller, 1960. 254 pages. \$4.50.
- Cole, Robert H. and Robert S. Hancock: *Consumer and Commercial Credit Management.* Homewood, Illinois, Richard D. Irwin, Inc., 1960. 649 pages. \$7.50.
- Collecting and Treating Community Wastes: A Guide for Maryland.* (Based on a Study by Walter V. Hohenstein) College Park, Maryland, University of Maryland, 1960. 26 pages. n.p.
- Commager, Henry Steele: *The Era of Reform 1830-1860.* New York, D. Van Nostrand Company, Inc., 1960. 188 pages. \$1.25.
- Craven, Tom A. (ed.): *County Auditor's Annual Report.* Financial Statement, McLennan County, Texas, December 31, 1959. 52 pages. n.p.
- Escott, Florence: *Texas Retail Lumber Dealers.* (Survey of Cost of Doing Business, 1959) Texas, Bureau of Business Research, The University of Texas, 1960. 39 pages. \$1.00.
- Finkle, Jason L.: *The President Makes a Decision: A Study of Dixon-Yates.* Ann Arbor, University of Michigan, Institute of Public Administration, 1960. 204 pages. \$3.50.
- Fleming, James T.: *Kentucky's Constitutional Development.* Kentucky Legislative Research Commission, 1960. 21 pages. n.p.
- Goodman, William: *The Two-Party System in the United States,* (2nd ed.). New York, D. Van Nostrand Co., Inc., 1960. 681 pages. \$6.85.
- The Gotsball Collection in the New York State Library.* New York, The University of the State of New York, Education Department, 1960. 111 pages. n.p.
- Haney, William V.: *Communication Patterns and Incidents.* Homewood, Illinois, Richard D. Irwin, Inc., 1960. 313 pages. \$6.00.
- Howey, R. S.: *The Rise of the Marginal Utility School 1870-1889.* Lawrence, University of Kansas Press, 1960. 271 pages. \$7.50.
- Instruction Regarding Narcotics and Habit-Forming Drugs.* New York, The University of the State of New York, The State Education Department, 1960. 15 pages. n.p.
- Kennan, George F.: *Soviet Foreign Policy 1917-1941.* New York, D. Van Nostrand Co., Inc., 1960. 191 pages. \$1.25.
- Laird, Roy D., Darwin E. Sharp, Ruth Sturtevant: *The Rise and Fall of the MTS as an Instrument of Soviet Rule.* Lawrence, The University of Kansas, Governmental Research Center, 1960. 98 pages. n.p.
- Leach, Richard H. and Redding S. Sugg, Jr.: *The Administration of Interstate Compacts.* Baton Rouge, Louisiana State University Press, 1959. 256 pages. \$4.50.

- Locklin, D. Philip: *Economics of Transportation*. (5th ed.). Homewood, Illinois, Richard D. Irwin, 1960. 874 pages. \$10.65.
- McGill, Dan M. (ed.): *All Lines Insurance*. Homewood, Illinois, Richard D. Irwin, 1960. 202 pages. \$5.50.
- Mason, Alpheus Thomas: *The Supreme Court from Taft to Warren*. Baton Rouge, Louisiana State University Press, 1958. 250 pages. \$4.95.
- Mazour, Anatole G.: *Rise and Fall of the Romanovs*. New York, D. Van Nostrand Company, Inc., 1960. 189 pages. \$1.25.
- Morris, Richard T. with the assistance of Oluf M. Davidsen: *The Two-Way Mirror: National Status in Foreign Students' Adjustment*. Minneapolis, University of Minnesota Press, 1960. 215 pages. \$4.50.
- Morris, William T.: *Engineering Economy: The Analysis of Management Decisions*. Homewood, Illinois, Richard D. Irwin, Inc., 1960. 506 pages. \$8.00.
- Municipal Police Administration in Texas: A Survey*. Austin, The University of Texas, Institute of Public Affairs, 1960. 107 pages. \$2.00.
- Nelson, Lowry: *The Minnesota Community: Country and Town in Transition*. Minneapolis, University of Minnesota Press, 1960. 175 pages. \$4.25.
- New York in Books: A Bibliography for Junior and Senior High Schools*. Albany, Bureau of Secondary Curriculum Development, New York State Education Department, 1960. 26 pages. n.p.
- Odegard, Peter H.: *Religion and Politics*. New York, Oceana Publications, Inc., 1960. 219 pages. \$5.00.
- Patterson, Franklin, et al.: *The Adolescent Citizen*. Glencoe, Illinois, Free Press, 1960. 387 pages. \$6.00.
- Proceedings of the Second County Auditors' Institute*. Austin, The University of Texas, College of Business Administration, Institute of Public Affairs, and Division of Extension in cooperation with County Auditor's Association of Texas, 1960. 58 pages. n.p.
- Proceedings of the Sixth Governmental Accounting and Finance Institute*. Austin, The University of Texas, Institute of Public Affairs, 1960. 52 pages. n.p.
- Quarterly of the Colorado School of Mines*. (Vol. 55, No. 2, April). Golden, Colorado, Colorado School of Mines, 1960. 111 pages. \$1.00.
- Relacoes Humans*, Brasil (de Sao Paulo), Instituto de Relacoes Sociais e Industriais, 102 pages. (Approximately \$15.00 per year).
- Robinson, Roland I., Erwin W. Boehmler, Frank Herbert Gane, and Loring C. Farwell: *Financial Institutions*. (3rd ed.). Homewood, Illinois, Richard D. Irwin, Inc., 1960. 730 pages. \$7.50.
- Sandage, C. H. and Vernon Fryburger: *The Role of Advertising: A Book of Readings*. Homewood, Illinois, Richard D. Irwin, Inc., 1960. 499 pages. \$6.00.

- Stedry, Andrew C.: *Budget Control and Cost Behavior*. Englewood Cliffs, New Jersey, Prentice-Hall, Inc., 1960. 161 pages. n.p.
- Sellers, Charles Grier, Jr. (ed.): *The Southerner as American*. Chapel Hill, The University of North Carolina Press, 1960. 217 pages. \$5.00.
- Smith, C. Frank, and D. A. Leabo: *Basic Statistics for Business Economics*. Homewood, Illinois, Richard D. Irwin, Inc., 1960. 301 pages. \$8.00.
- Syllabus in Vocational-Technical Subjects: Electricity and Electronics*. New York, The University of the State of New York, The State Education Department, Division of Industrial Education, 1960. 23 pages. n.p.
- Talpalar, Morris: *The Sociology of Colonial Virginia*. New York, Philosophical Library, Inc., 1960. 371 pages. \$6.00.
- Tyree, Donald A.: *The Small-Loan Industry in Texas*. Austin, The University of Texas Bureau of Business Research, 1960. 147 pages. \$3.50.
- Van Dyke, Vernon: *Political Science: A Philosophical Analysis*. Stanford, California, Stanford University Press, 1960. 235 pages. \$5.00.
- Wilkinson, C. W., J. H. Menning and C. R. Anderson: *Writing for Business: Selected Articles on Business Communication*, (3rd ed.). Homewood, Illinois, Richard D. Irwin, Inc., 1960. 369 pages. \$6.65.
- Williams, Lea E.: *Overseas Chinese Nationalism: The Genesis of the Pan-Chinese Movement in Indonesia, 1900-1916*. Glencoe, Illinois, Free Press, 1960. 235 pages. \$4.50.
- Young, Kimball, and Raymond W. Mack: *Principles of Sociology*. New York, American Book Company, 1960. 343 pages. \$3.75.

# News and Notes

## Business Administration

### *Oklahoma State University*

Associate Professor J. RICHARD VANDERGRIFT died, July 18, 1960.

### *University of Southwestern Louisiana*

JOHN L. HIX, of Louisiana State University, has been added to the staff as an Assistant Professor.

LAWRENCE SCHKADE, formerly Assistant Dean of Men at Lamar State College, has joined the staff as an Assistant Professor.

### *University of Texas*

ARVID A. ANDERSON has resigned his position in the Department of Marketing to accept a teaching place at Arlington State College.

RAYMOND F. BARKER has resigned his place in the Department of Marketing to teach at Arlington State College.

EDWARD W. CUNDIFF, Chairman and Professor in Marketing, is on leave for the year to teach in the European Productivity Agency in Fontainebleau, France.

EMERY JEAN HEBERT has resigned his place in Management to accept an Assistant Professorship at Arizona State College.

WILLIAM H. HOFFMAN, JR., a 1960 Ph.D. at this school, has been named Assistant Professor of Accounting. He also holds the LL.B. degree from the University of Michigan and is a CPA.

VIRGIL A. JAMES has taken a year's leave to work with Socony-Vacuum Oil Company.

JULIA I. MARTINEZ, formerly Pro-

fessor of Statistics at the Universidad de Nuevo Leon, Mexico, is now teaching in the Department of Business Services.

HARRY W. STEPHENSON has been named Instructor in Management.

### *Tulane University*

HOWARD G. SCHALLER, formerly Chairman of the Department of Economics, has been appointed Dean of the School of Business Administration. Economics constitutes a department in the School of Business Administration.

### *University of Wichita*

The Sixth annual conference on petroleum accounting will be held on Friday, April 26 at the Campus Activities Center. Co-sponsors, with the University of Wichita, are the local chapters of the Petroleum Accountants' Society of Kansas, of the National Association of Accountants, and the Kansas Society of Certified Public Accountants.

## Economics

### *Rice University*

HANS J. JAKSCH, of the University of Frankfurt/Main, has been named an Assistant Professor.

GASTON V. RIMLINGER, of Princeton, has been appointed an Associate Professor.

DWIGHT S. BROTHERS has been promoted to Associate Professor.

### *St. Mary's University*

DR. L. H. MAI has been promoted to the rank of Professor.

*University of Southwestern Louisiana*

DONALD EUGENE BRYANT, of the University of Oklahoma, has been named Assistant Professor.

DOUGLAS LEE REED, of Texas Tech, is another new Assistant Professor.

BRUNO TREVINO, formerly at the University of Texas but more recently at the University of Alabama, has joined the staff as an Assistant Professor.

*University of Texas*

WENDELL C. GORDON is on a Fulbright visiting lectureship in international economics at the University of Buenos Aires for the fall semester.

BENJAMIN H. HIGGINS spent the summer as adviser in finance to the government of Lebanon, attending meetings of CENTO at Rawalpindi, Pakistan, and of ILO at Geneva, Switzerland.

IRVING O. LINGER has accepted a position as Professor and Chairman of the department at Texas College of Arts and Industries.

ROBERT A. MINICK has accepted a place as Assistant Professor at Southeast Missouri State College, Cape Girardeau, Missouri.

JOSEPH L. STEELE has taken a place as Assistant Professor at Memphis (Tenn.) State College.

*Tulane University*

JOHN G. CUMMINS, recent Ph.D. at Johns Hopkins, has joined the staff as Assistant Professor.

ERSKINE MCKINLEY has come to the staff from the Ford Foundation as an Associate Professor.

WILLIAM A. MAUER, also a recent

Ph.D. at Johns Hopkins, has been named an Assistant Professor.

W. DAVID MAXWELL, formerly Associate Professor, has been named Chairman of the Department, succeeding HOWARD G. SCHALLER, who has become the Dean of the School of Business Administration.

**Geography***University of Southwestern Louisiana*

J. PATRICK FARRELL has resigned to accept a place as Assistant Professor at Northern Michigan College.

HUBERT G. H. WILHELM, of the University of Illinois, has been named as Instructor.

**Government***University of Houston*

JAMES R. JENSEN has been appointed Chairman of the Department of Political Science.

HOWELL C. MCCLESKY, who recently completed his doctorate at Harvard, has been named Assistant Professor.

GHOLAM H. RAZI has been promoted to Associate Professor, and has been granted a leave of absence to do research in Iran under a Social Science Research Council grant.

*University of Southwestern Louisiana*

JOHN R. FAUST, of the University of North Carolina, has joined the staff as an Assistant Professor.

CONRAD F. JOYNER, who is spending the academic year on the staff of the Governor of Oregon as a fellow of the

Citizenship Clearing House, has been promoted to Associate Professor.

JOHN A. MORGAN, JR., of Duke University, has been named Instructor.

## History

### *University of Denver*

An "American Studies" program, subsidized by the National Defense Education Act, has received five additional fellowships for 1960-1961. This is a three-year study program with major emphasis in history and minors in related fields. Ten fellowships have been awarded to students from colleges well distributed over the nation.

In collaboration with the American Historical Association Service Center for Teachers of History, the Department of History of the University of Denver held an Institute for teachers and community leaders at the Wheat Ridge High School in June. M. Delbert Lobb and Irene A. Dunstan, of the Jefferson County (Colorado) Schools joined with Allen D. Breck as directors. Speakers were Alfred Crofts and Harold H. Dunham of the University of Denver, Helmut C. Callis, University of Utah, and Alexander de Conde, Duke University, and the topics discussed, "What Have the Communists Done With the Traditional Institutions of China?" and "What Have We Done with the Traditional Attitudes of America Toward a Wider World?"

### *University of Kansas*

OSWALD P. BACKUS, III, visited Finland and the USSR during the summer on a grant from the Inter-University Committee on Travel Grants. He has also been granted a leave to serve as

Visiting Professor of History at the University of Chicago for the Fall Quarter.

GEORGE M. BECKMAN has been promoted to Professor and given a leave to spend the year in study in Japan under a Fulbright grant.

THOMAS M. GALE has been given a Fulbright grant for a year's study in Peru.

DONALD R. MCCOY has been promoted to Associate Professor.

AMBROSE SARICKS received an American Philosophical Society grant for travel to France for the summer. He will be on sabbatical leave for the first semester.

CHARLES F. SDIMAN, recent Ph.D. at Wisconsin, has been named Instructor.

BENJAMIN WALLACKER, who specializes in teaching the Chinese language, has been promoted to Assistant Professor.

EDGAR B. WICKBERG, of the University of California, has joined the staff as an Instructor.

### *University of Southwestern Louisiana*

ROBERT M. ALBERT has resigned his position with the University.

WILLIAM F. BARINGER, of the University of Florida, was a visiting member of the staff during the summer.

NORMAN S. FERRIS, of Emory University, also has been named an Assistant Professor.

ROBERT R. MILLER has resigned to accept a place at New Mexico State University.

PAUL J. STEWART, JR. will spend the year doing research in Spain on a Fulbright fellowship.



*University of Texas*

T. F. MCGANN will be a delegate to the Third International Congress of Historians in Buenos Aires, October 10-17.

DAVID D. VAN TASSEL is author of *Recording America's Past; An Interpretation of the Development of Historical Studies in America, 1607-1884*, published by the University of Chicago Press.

WALTER P. WEBB has returned to his old office at this school while preparing a television version of his course on The Great Plains, under a grant from the Fund for the Advancement of Education.

*West Texas State College*

JOHN W. COOKE, of Vanderbilt University, has been appointed an Instructor.

JOHN K. KAHLER is on leave for advanced study at the University of Chicago.

ROBERT FRANK HEFLIN has returned from a year's leave spent at Vanderbilt University.

FREDERICK W. RATHJEN has returned after a year's leave at the University of Texas.

**Social Science***University of Arkansas*

DEAN GUERDON D. NICHOLS of the College of Arts and Sciences was presented the Alexander Meiklejohn Award for Academic Freedom at the Annual Meeting of the American Association of University Professors. A citation is to be found in the *AAUP Bulletin* for June, 1960. This was the third award of this honor.

Southwestern Louisiana Institute became the University of Southwestern Louisiana on July 27. Geography, History, Political Science and Sociology constitute one Department of Social Studies at the University, with Robert M. Crisler as Department Head.

**Sociology***University of Arkansas*

HANS HOFFMAN is serving as a visiting Assistant Professor, replacing Professor FRED W. VOGET, who is on leave.

During the summer Assistant Professor CHARLES R. MCGIMSEY directed archeological field work along the White River in northwest Arkansas at a site to be inundated upon the completion of Beaver Dam.

STEPHEN STEPHAN was named to a three-year term on the Counselling Committee for Social Education and Action of the United Presbyterian Church at its meeting in Cleveland in May.

FRED W. VOGET has had his leave extended for a second year to serve as visiting professor at the University of Wisconsin and to continue his research on the acculturation of the Iroquois of Ontario.

*University of Southwestern Louisiana*

HENRY C. PITCHFORD, of Emory University, has joined the staff as an Assistant Professor.

*University of Texas*

NORMAN G. HAWKINS, formerly of the Medical Branch, is now Director of

Research at the Hollidaysburg (Pennsylvania) State Hospital.

IVAN BELKNAP has received a renewal of his Hospital Community research project from the United States Department of Health, Education and Welfare.

CLETUS BRADY has resigned his place as instructor to accept an Assistant Professorship at Catholic University of America.

ALEXANDER L. CLARK, from the University of Washington, has joined the staff as an Assistant Professor.

WALTER I. FIREY has resumed his place on the staff after a year at the Center for Advanced Study in the Behavioral Sciences.

JACK P. GIBBS has been named Associate Director of a new Population Research Center established within the

department. The Center is designed to provide a site for demographic studies and to facilitate work in the department having population relevance. HERBERT L. AARONS will serve as Research Associate.

NORVAL GLENN has taken a temporary appointment as Assistant Professor at Miami University, Oxford, Ohio.

RICHARD J. HILL has joined the staff as an Associate Professor and Director of the departmental statistical laboratory.

SIDNEY WILLHELM has joined the staff of San Francisco State College.

VIRGIL WILLIAMS, who completed his doctorate in 1960, has been appointed to the staff of Washington State University.

### *City Officials Discuss Problems*

Governing bodies were included for the first time in the in-service training program of the Institute of Public Affairs of the University of Texas when the Institute for Mayors, Councilmen, and Commissioners was held, June 24 and 25. Proceedings carrying the ten addresses making up the program are available from the Institute.

Speakers and the topics discussed, in order of appearance were: Millard H. Ruud, "The Texas City—Its Legal Status and Governmental Role"; James H. McCrocklin, "Functions, Responsibilities and

Operation of the City Council"; William A. Olsen, "Legal Limitations on City Councilmen"; Lynn F. Anderson, "Municipal Financial Management"; Phillip L. Loving, "Property Tax Administration"; W. H. Gilmartin, "The Corporation Court"; R. A. Miles, "The Police Department"; Wayne H. Holtzman, "Community Action Research—An Approach to Social Problems in Texas Cities"; Marvin H. Springer, "The Role of Urban Planning in the Future of Texas"; and John T. Thompson, "Regulation of Public Utilities and Rate Making."

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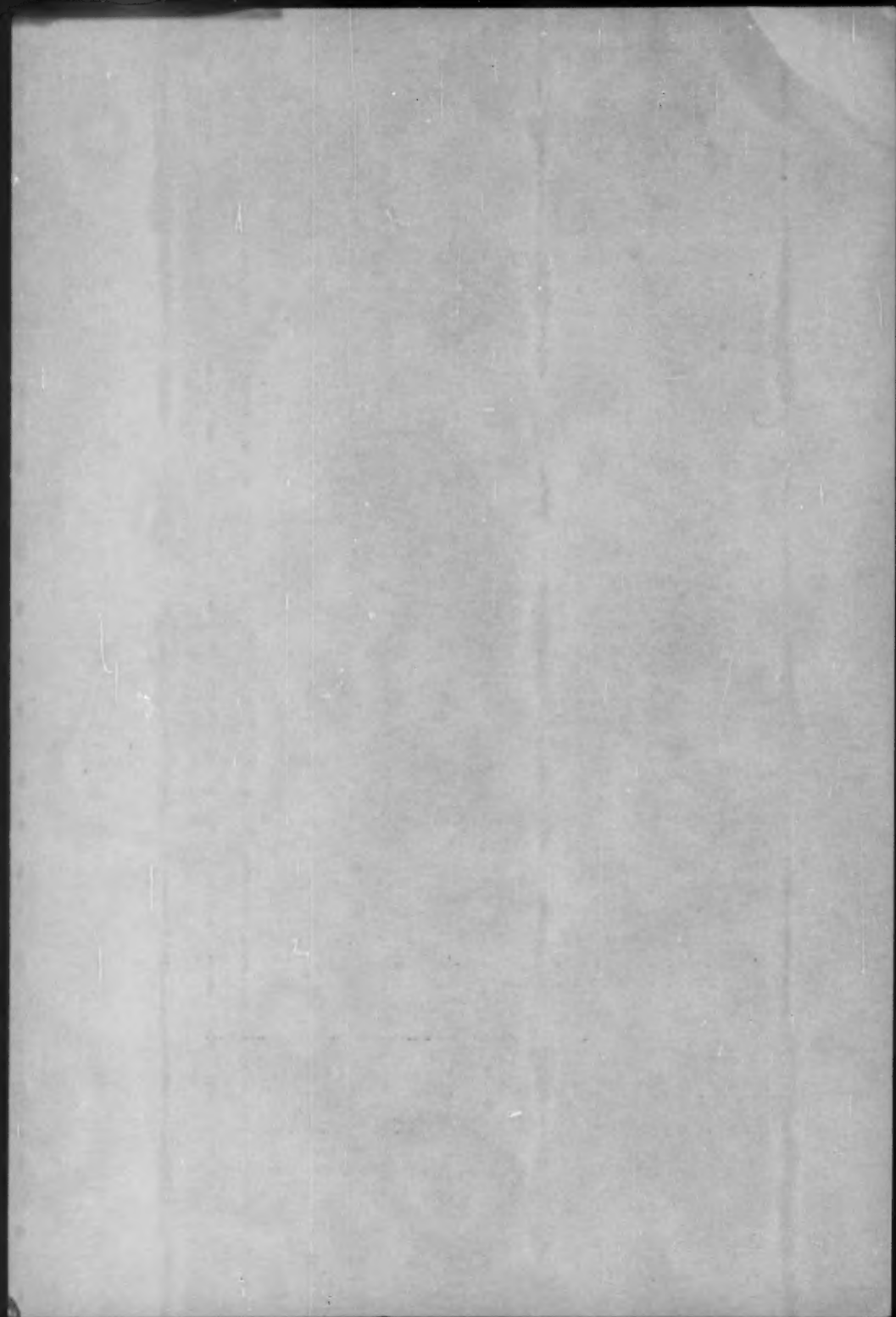
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